FBIS DAILY REPORT

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OFFICIAL VIEW STATUS OF FALKLANDS STALEMATE

Alfonsin Cites UK Politics

PY051828 Madrid EFE in Spanish 1346 GMT 5 Jan 87

[Text] Rome, 5 Jan, (EFE) -- President Raul Alfonsin has said on the official Italian television channel that Great Britain wishes to convince its NATO allies that the Malvinas Islands have strategic importance.

"Great Britain wishes to convince its NATO allies that the Malvinas Islands are of a fundamental importance from the strategic point of view. We believe that this is not so, and we believe that not even the United States shares this point of view," Alfonsin said.

During the interview, President Alfonsin also said that "Mrs. Thatcher's stubbornness regarding the Malvinas problem is related to the upcoming general election."

"I hope that the British Government, either Conservative or Labour, will respect international law and is willing to sit at a table to discuss the current problems."

In conclusion, Alfonsin announced an official visit to Italy in June at the invitation of the Italian Government, to which he is "thankful for cooperation with Argentine democracy."

Gass Comments on House Remarks

PA041920 Paris AFP in Spanish 1828 GMT 4 Jan 87

[Text] Buenos Aires, 4 Jan (AFP) -- Adolfo Gass, chairman of the Senate Foreign Relations Committee, today described the statement by British Foreign Secretary Sir Geoffrey Howe that London is "ready to begin the normalization of diplomatic relations" with Buenos Aires as "not very serious."

Argentina and Great Britain broke diplomatic relations on 2 April 1982 when Argentine troops landed on the Malvinas Islands, beginning a short and bloody war that ended on 14 June 1982 with the surrender of the South American troops.

Gass, who is also vice president of the ruling Radical Civic Union, described the remarks of the head of the Foreign Office "as merely the statement of a secretary who wants to recover the Latin American (trade) markets."

After stressing that Howe's proposal contains "absolutely nothing new," he termed the British official's remarks "somewhat amusing statements that do not get to the bottom of the issue."

Gass also reiterated that the Argentine policy on the dispute consists of "beginning negotiations in accordance with UN resolutions, but bearing in mind all the overall topics (in other words, including sovereignty) and not only diplomatic or trade relations, which are what interest Great Britain."

Howe made his statement on Saturday night in Colombia shortly before leaving for Mexico as part of a visit to four countries of the continent.

Coinciding with the British foreign secretary's statement, yesterday was the 154th anniversary of the landing of a British naval expedition on the Malvinas islands. The expedition dislodged the Argentine settlers there, giving rise to the 150-year-old conflict.

## Communique Favors Talks

PY022315 Buenos Aires TELAM in Spanish 2051 GMT 2 Jan 87

[Text] Buenos Aires, 2 Jan (TELAM) -- The Argentine Foreign Ministry today released a communique in which it states that on 3 January, the 154th anniversary of the illegitimate British occupation of the Malvinas Islands, the Argentine people and government once again reaffirm our country's right to sovereignty over the southern archipelagos and their firm desire to recover the islands through peaceful negotiations.

The communique indicates that this desire for peace has been demonstrated by Argentina and is increasingly supported by the international community, which has reiterated its request to both our country and Great Britain for peaceful negotiations which should seek solutions to all the problems, including every aspect about the future of the Malvinas.

It then recalls the declaration released by the British at the end of October. In this declaration, the United Kingdom stated its intention to arrogate rights to maritime space over which Argentina exercises sovereignty and jurisdiction. The communique stresses that our government has formally rejected this intention.

Therefore, the communique continues, it is necessary that, in the interests of the two concerned parties and third countries that could eventually be affected, that the path of the peacefully negotiated solution, which is what the Argentine Government desires, be finally chosen, because this is the path that has been insistently recommended by the international community.

In its last paragraph, the communique indicates that in Argentina there is a national awareness and sensitivity for the path of negotiations and an agreement, but at the same time there is a deep conviction about the need for a just and definitive solution to the Malvinas question.

## BRIEFS

NEW AGRICULTURE SECRETARY -- Buenos Aires, 30 Dec (DYN) -- Ernesto Figueras was sworn in today as new secretary of agriculture, livestock, and fishing by President Raul Alfonsin to replace of Lucio Roca who has resigned from the post. [Summary] [Buenos Aires DYN in Spanish 2233 GMT 30 Dec 86 PY]

NAVY TO JOIN ANTIDRUG FIGHT; DIRECTOR MAY RESIGN

PY061357 La Paz La Red Panamericana in Spanish 1130 GMT 6 Jan 87

[Text] Colonel Alfonso Renjel, head of the National Directorate for Dangerous Drug Control, has reported that in the next few hours the Bolivian Navy will join the antidrug fight. Renjel said that the recent operations carried out in Chapare were very positive and that he expects that the work to be undertaken in 1987 will continue to be successful.

[Begin Renjel recording] Look, it will be successful, because the system that we have disigned (?is improving), that is, it is beginning to work. I therefore believe that we will obtain very positive results, as you will soon see. In addition, I want to tell you that the system is now quite different, as it is not longer a set of units that will carry out isolated actions. The units are being trained to conduct on-site investigations until the drugs are found. [end recording]

Renjel said he might resign as head of the National Directorate for Dangerous Drug Control, because he feels that he can render useful service as director of the Bolivian Police Supplementary Fund.

GOVERNMENT DECREE CREATES REVENUE MINISTRY

PY052112 La Paz La Red Panamericana in Spanish 1700 GMT 5 Jan 87

[Text] Through presidential decree No 21,502, the government today established a ministry without portfolio, to be known as the Revenue Ministry [Ministerio de Recaudaciones Tributarias], which will operate temporarily. The Revenue Ministry will be in charge of designing and operating the system for collecting taxes and all internal revenue and customs tariffs. The decree sets for that the following agencies, along with all their personnel, budgetary allocations, equipment, offices, and facilities, will be subordinated to the ministry without portfolio: the Finance Ministry Revenue Under Secretariat; the Internal Revenue Service General Directorate; the Customs General Directorate; the General Revenue and Tariff directorates; the Finance Ministry Revenue and Tariff Advisory Departments, and the AADAA, Autonomous Association of Customs Warehouses.

Article 3 of the presidential decree establishes that the finance minister's powers concerning the consultations and appeals involving jurisdictional problems, as set forth in the Tax Code. shall remain unchanged.

Minister Secretary General of Government Juan Carlos Duran will be in charge of enforcing the presidential decree.

Cabezas Sworn In as Minister

PY061700 Paris AFP in Spanish 0120 GMT 6 Jan 87

[Text] La Paz, 5 Jan (AFP) -- New Minister Without Portfolio Ramiro Cabezas today assumed his post after having been sworn in by President Victor Paz Estenssoro during a ceremony at Government House.

The post of minister without portfolio was established by the present administration. It will be entrusted with those functions previously carried out by the Finance Ministry which include establishment of taxes, tax collections, the handling of customs offices, of the internal revenue department, and of the entire national taxing system.

During the swearing-in ceremony, Paz Estenssoro said that in view of the difficulties which the country is confronting, it is necessary to restructure the Bolivian tax collection system so as to be more rational.

Paz Estenssoro praised Cabeza's capacity and expertise and urged him to cooperate with the government plan that seeks to overcome the present national crisis.

The newly appointed minister committed himself to work in favor of the Government plans and to do his best to achieve the reorganization of the Bolivian financial and taxing system.

## BRIEFS

INTERIOR UNDER SECRETARY REPLACED -- Ruben Moreno on 6 January was installed as the new interior under secretary. He replaces Guido Meruvia, who resigned for personal reasons. [Summary] [La Paz La Red Panamericana in Spanish 1700 GMT 6 Jan 87 PY]

COMMERCE UNDER SECRETARY RESIGNS -- Commerce Under Secretary Antonio Sorouco today tendered his resignation to new Industry, Commerce and Tourism Minister Fernando Moscoso, who had confirmed him in his position when he took over the ministry last week. Sorouco said he resigned for strictly personal reasons. [Summary] [La Paz La Red Panamericana in Spanish 1700 GMT 29 Dec 86 PY]

NEW DANISH AMBASSADOR -- At a ceremony held in the Hall of Mirrors of Government Palace yesterday, the new ambassador from Denmark to Bolivia, Mr Karl Hasle, presented his credentials to President Victor Paz Estenssoro. [Text] [La Paz EL DIARIO in Spanish 9 Dec 86 p 3 PY]

GENERAL GORDON SAYS POLITICIANS 'OUT OF TOUCH'

PY061234 Santiago Domestic Service in Spanish 2200 GMT 5 Jan 87

[Text] The political leaders are divorced from the true situation in Chile. This was said by Lieutenant General Humberto Gordon upon assuming his post as president of the fourth Legislative Commission, replacing Lieutenant General Julio Canessa who has retired from the Army.

Gordon also said that the political leaderships are completely out of touch with their grass roots and added that this divorce of the old-time politicians from the true situation in Chile is, to a certain degree, obstructing and even paralyzing the gradual process toward the goals established in the Chilean Government's national objective. We believe that this objective is the essence of national aspiration, irrespective of the political beliefs, because it is inspired by the common well-being which only seeks the achievement of the nation's grandeur through our own efforts. Gordon made this statement during his address to the members of the commission which he now heads.

Gordon also said that the government's deeds should be consolidated during an upcoming phase of the institutionalization process and that they will be carried on in the future once a reorganized, united, worthy people proud of their future become aware of what has been achieved.

He also said that we cannot allow, under any circumstances or excuses, the turning back of the clock of history which will mark the best times for Chile as we approach the 21st century.

Attorney Patricio Oslar, secretary of the Legislative Commission, gave a report on the commission's activities and stated that there are currently 47 draft laws undergoing various phases of study.

RIGHTS COMMISSION REVIEWS 500 MORE EXILE CASES

PY060253 Santiago Domestic Service in Spanish 2200 GMT 5 Jan 86

[Excerpts] Interior Minister Ricardo Garcia today met with President Pinochet and was instructed to analyze the plan to allow exiles to return to the country. Garcia then submitted a new list of 500 exiles to the Special Advisory Commission for Human Rights, which will study these people's records so that they may be allowed to return to Chile soon. [passage omitted]

Garcia added that he will submit new lists to the commission periodically, so that it can analyze the records of the exiles.

Commission President Ricardo Martan has reported on the methods used to analyze each case and the criteria adopted in order to decide whether permission to return to the country should be granted or not.

Martan said that the studies are exhaustive and have to be conducted quickly, because the commission has to meet the 90-day deadline set by President Pinochet. During these 90 days the commission will have to study the records of 3,500 exiles who might be admitted into the country.

Martan said that the studies are based on data contained in personal records. These records, however, are often incomplete, and the commission is authorized to consult organizations and people who have further information on these exiles.

Martan emphasized that the commission will have the last word, adding that decisions will be forthcoming within 20 days, as the commission is studying 50 to 60 cases per session.

Martan concluded by saying that people who have gone abroad to join their exiled relatives, as well as the children of exiles, will have no difficulty in returning to the country.

FURTHER ON INTERROGATION OF LAS CORDES DETAINEES

Ubilla Suspected as FPMR Chief

PY062053 Santiago Domestic Service in Spanish 0930 GMT 6 Jan 87

[Text] The terrorist Manuel Jesus Ubilla Espinoza, one of the seven subversives arrested by the SNI (National Intelligence Center] in connection with the discovery of a cladestine clinic in Las Condes, is allegedly the main leader of the FPMR [Manuel Rodriguez Patriotic Front].

This information was obtained from sources who participated in the first interrogation of Ubilla.

The 33-year-old subversive physician proved to have an outstanding knowledge of guerrilla strategy and tactics compared to that of the other six individuals.

According to declarations made by the arrested persons, it is believed that Ubilla is the highest ranking FPMR terrorist arrested to date. It is also believed that this individual parti ipated in planning the frustrated attack against the president of the Republic on 7 September.

Relatives Request Medical Aid

PY061850 Paris AFP in Spanish 1258 GMT 6 Jan 87

[Text] Santiago, 6 Jan (AFP) -- Five persons detained in the investigation of the unsuccessful attack on President Augusto Pinochet are in bad physical condition and need medical attention. This was reported today by their relatives in appeals submitted to the Supreme Court and the Military Court.

According to the secret police (CNI), suspects Particio Herrero, Elena Salinas, Luis Melo, Carlos Pino and Manuel Ubilla are members of the Manuel Rodriguez Partriotic Front (FPMR), the leftist organization which claimed responsibility for the attack on President Pinochet on 7 September 1986.

According to an official report, the culprits had set up a clandestine clinic where some of those wounded in the attack were treated. The report adds that FPMR subversives wounded in other attacks also received medical attention in this clinic.

The relatives said that the five people in queston were arrested sometime between 17 and 19 September and jailed in CNI barracks until 2 January, when they were placed at the disposal of the prosecutor entrusted with the case, Military Judge Fernando Torres.

In the letter to the courts, the relatives say that when the prisoners were placed at the disposal of the courts, it could be seen that they were in a deplorable condition.

The letter states that Carlos Pino could not walk by himself and that Elba Salinas, who is 8 months pregnant, suffered signs of physical and psychological deterioration.

Attorneys Allege Abuse

PY070100 Santiago Radio Chilena in Spanish 1600 GMT 6 Jan 87

[Text] Lawyers for five people held in connection with the discovery of an alleged clandestine clinic have filed petitions with the military and supreme court prosecutors and with the ad-hoc military prosecutor, Fernando Torres.

One of the lawyers, Jose Galeano, said that the arrested individuals, who are now being held incommunicado, urgently need medical assistance because of the serious physical abuse they received while they were being held at the National Information Center, CNI.

[Begin Galeano recording] We have submitted petitions to two officials. In the petitions we invoke laws that hold these judicial officials responsible for the conditions in which the prisoners are held. In this case the need for these officials to intervene is urgent because it has been 18 days since these seven individuals, who were arrested and placed at the disposal of military prosecutor Torres on 2 January, have been seen by anybody except those who arrested them, the prosecutor, and his aides. No one has been allowed to see them. Their lawyers and the physicians who were sent to the CNI to examine them were not allowed to see them. Even an appellate court justice who went to CNI headquarters was prevented from seeing them. [end recording]

The petitions were filed on behalf of physicians Manuel Ubilla, Patricia Herrero Mediavia, Elena Salinas Fuelles, Luis Melo Mendoza, and Carlos Pino Molina. Alejandro Aravena, a physician, and Gina Cerda, who is studying to be a kindergarten teacher, lived in the house on Piachenza Street where the clinic allegedly operated. They have also been arrested in connection with this case.

In the petition submitted to the military court, Galeano and attorney Maria Raquel Mejias have requeted that Article No 64 of the military code authorizing measures to correct mistakes or abuses committed in places of detention be applied. Galeano said that the situation is extremely serious and that the military court has used every means to prevent the arrested persons from being seen because they have apparently been seriously abused.

[Begin Galeano recording] And why are they hiding them? Why are they preventing us from talking to them? There is a difference between holding them incommunicado -- that is preventing them from communicating -- and not allowing them to be seen even at a distance. The measures to prevent us from seeing them even from a distance were such that they almost rushed us out of the office of the military prosecutor when the prisoners were about to be transferred from one room to another. [end recording]

In their petitions the attorneys state that, according to witnesses, as they were being taken to the military prosecutor's office, Carlos Pino Molina could not walk without help, and Elva Salinas, who is 8 months pregnant, showed signs of great physical and psychological deterioration.

AUTHORITIES RELEASE ROJAS TORCHING CASE WITNESS

PY062205 Santiago Radio Chilena in Spanish 1600 GMT 6 Jan 87

[Excerpts] Parking lot attendant Gregorio Olmedo has been released for lack of evidence and is now resting at the home of a relative.

Olmedo, who participated in the reenactment of the incident in which two youths were torched, was arrested because his version did not coincide with that of the military attorney hearing the case. He was released yesterday.

His wife, Rosa Catalan, was able to speak to him yesterday. She said he was very nervous. [passage omitted]

Gregorio Olmedo's wife said that during the reenactment of the crime, he had claimed that he was sweeping the road when the military patrol that arrested Carmen Gloria Quintana and Rodrigo Rojas Denegri appeared. At that moment the door of the place where he works was open, and he was ordered to leave by men in uniform. However, Olmedo's statements did not coincide with what the military attorney sought to establish by reconstructing the scene.

[Begin recording] [Catalan] The military attorney maintained that my husband had intentionally left the door open so that the youths could seek refuge, but he had no idea these youths were in the area that day.

[Reporter] Wasn't he a key witness? What I mean is, didn't he see the youths being burned?

[Catalan] No. No.

[Reporter] Did he leave the site at once?

[Catalan] Of course, because when he turned around to close the door, as he did every day, he suddenly saw the military coming with the arrested youths and he was ordered to leave. He was so frightened that he left the site. He went for a walk because he was frightened when he saw so many armed soldiers. He is not used to that sort of thing, so he left and returned a while later when everything had happened. [end recording] [passage omitted]

POLICE OFFICIALS REVIEW 1986 TERRORIST ACTIONS

PY302005 Santiago Radio Chilena in Spanish 1600 GMT 30 Dec 86

[Text] The Investigations Police have reported that 26 civilians and 10 policemen died in terrorist actions in 1986, adding that terrorist activities began in January and peaked during the first week of September.

Emilio Rousseau, Carlos Meyer, and Luis Roman, deputy chiefs of the Investigations Police administrative, operations, and foreign departments, respectively, gave reporters a comprehensive account of their work this year.

Meyer said that 314 subversive actions were staged in January, an unprecedented figure for that time of the year. In 1986, 269 civilians and 68 policemen were wounded during terrorist actions, although there were fewer terrorist holdups. In fact, Meyer said that there were 20 holdups in 1986, compared to 31 in 1985. He added that the terrorists clashed with the police and Armed Forces on three occasions in March and April. The Investigations Police also reported that 204 exiles were allowed to return to Chile in 1986.

LABOR UNIONS TO CREATE NEW CONFEDERATION

PY312053 Paris AFP in Spanish 2201 GMT 30 Dec 86

[Text] Santiago, 30 Dec (AFP) -- Trade union leaders today announced that next year they will promote the creation of a powerful United Confederation of Workers (CUT) to unite the different currents of the labor movement in a single association. Manuel Bustos, vice president of the Workers National Command (CNT), said that he wanted it to be an autonomous, pluralist, and representative organization. The center-left CNT and the Workers Democratic Confederation, linked to the Social Democrats, are the two main fronts that for the last 3 years have represented the unions, federations and confederations opposing the government of General Augusto Pinochet. The United Trade Union Congress, meeting last week in Concepcion, 525 km south of Santiago, decided to establish the CUT, an acronym that remind people of the powerful confederation which the military government dissolved in 1973.

A communique released by the organizers of the congress states that the creation of a United Confederation of Workers is a priority for 1987 and the most urgent task of the trade union movement. In Santiago, the Workers National Command gave its official support to the project. Its leaders estimate that the confederation definitely will be set up by April 1988. The old CUT dominated workers lives for over 20 years, but its leaders, mostly leftists, were arrested or exiled when the military overthrew the government of socialist President Salvador Allende.

At CNT headquarters, union leader Manuel Bustos delivered an evaluation of the achievements obtained over the last 12 months. He said: We know that 1987 will be a difficult year and that we will face new struggles. Bustos added that 1986 had been a bad year for the workers because salaries fell and prices rose, while unemployment remained at levels of over 100 percent [percentage as received] according to official statistics.

Bustos criticized the reluctance of the government to face these problems, and censured the indifference of businessmen and the lack of vision of the political parties in the task of restoring democracy. We expect the political parties to try to find a more coherent coordination and strategy that might lead to new realities based on political changes, he said.

NEW ZEALAND FIRMS INVEST MORE THAN $260 MILLION

PY061654 Paris AFP in Spanish 2147 GMT 5 Jan 87

[Text] Santiago, 5 Jan (AFP) -- The largest foreign investments made in Chile during 1986 were made by New Zealand businessmen who challenged the negative reports of Chile's stability.

International consulting firms, the well-known U.S. company Frost-Sullivan among them, repeatedly included Chile among high-risk countries. One of the most recent warnings was made by the influential conservative British newspaper THE ECONOMIST which stated this week that Chile's future in 1987 will continue to be uncertain.

Chile has entered its 14th year under the military regime of President Augusto Pinochet without being able to dissipate the atmosphere of social unrest and the bloody and constant confrontation between the government and the opposition. Moreover, dissident parties, among them the majority Christian Democratic party, plan to make substantial revisions to the economic policy when a civilian government resumes power. But, despite all this, three large New Zealand consortiums closed deals with Chile during 1986 for a total of between $260 and $270 million.

Ken Carter, an official of Carter Holt Harvey Limited, has noted that the political and social reforms (undertaken by Pinochet) point in the right direction and aim to restore a more democratic style of government. By investing $167 million, Carter Holt Harvey Limited is the largest Chilean-New Zealand operation (thus surpassing all the other foreign investments made in 1986) to associate itself with the Chilean Angelini group as co-owners of COPEC [Chilean Oil Company] a giant company dealing in oil distribution, industry, fishing and forestry exploitation. Carter Holt preferred to associate itself with the powerful Chilean conglomerate instead of competing with it in the areas of forestry and fish experts in the international market.

Following the Carter Holt example, the New Zealand Dairy Board has invested $36 million to purchase Anagra (agricultural commodities) and Soprole (a dairy products factory), both of which also belong to Angelini. Moreover, Tasman Forestry, a branch of Fletcher Challenger, the largest New Zealand company, have invested $62.75 million to purchase 50 percent of the Bio-Bio company which owns a paper mill and large forest areas. According to a formal agreement signed with the old owner, the Paper and Carton Manufacturing Company, Tasman will purchase the other 50 percent of the company in 1987. The New Zealand Dairy Board is one of the largest exporters of dairy products in the world and through modern technology it hopes to develop the promising but still growing Chilean dairy industry.

For its part, Tasman plans to jointly exploit forests in New Zealand and those it has recently acquired in Chile. Together the two countries have a total of 2 million hectares planted with radiata pines [California pines] which is considered to have greater international demand. This factor may influence the world market in this sector. According to technical reports, because of geographical and atmospheric advantages which favor the forest industry in Chile, this country may soon be exporting about $1.3 million per year in lumber and lumber byproducts.

U.S. EMBASSY PERSONNEL EVACUATE AFTER BOMB THREAT

PA062007 Hamburg DPA in Spanish 1917 GMT 6 Jan 87

[Text] Bogota, 6 Jan (DPA) -- According to reports made by Cadena Radial Caracol, an alleged terrorist plan to blow up the U.S. Embassy in Bogota led today to the evacuation of the personnel from the embassy.

This morning, the U.S. Embassy did not open its doors to the public, and while some versions reported that the activities at the embassy had been suspended because the computers were not working properly, other reports said the embassy was closed because of the celebration of epiphany.

However, according to Caracol, which did not release its source, authorities discoverd a terrorist plan destined to blow up the U.S. Embassy. The plan was supposedly going to be carried out today.

At noon today, the embassy, located in downtown Bogota, remained heavily guarded, while the few government officials who were there insisted on the orignal versions.

It is not known whether the alleged terrorist plan was coordinated by some guerrilla organization or by an band of drug traffickers.

POLICE CAPTURE CRIME CHIEFS, CONFISCATE WEAPONS

PA061630 Bogota Emisoras Caracol Network in Spanish 1215 GMT 6 Jan 87

[Text] Bogota -- Six crime chiefs and 348 drug-trafficking agents have been arrested during raids carried out by the authorities against cocaine dealers. Weapons of all calibers, furniture, real estate, motor vehicles, and one helicopter have been confiscated during the nationwide raids, which will continue for 28 more days, according to Defense Minister General Rafael Samudio Molina.

After meeting with the president and evaluating the operations that have been carried out so far, General Samudio Molina said that the results are highly positive.

The crime chiefs arrested so far are Evaristo Porras, Carlos Gomez Zapata, bothers Gabriel and (Franklin Bovaz), Jose Rafael Abello Silva, and Nohora Cespedes Jaramillo.

Meanwhile, in Cartagena, authorities arrested Efrain Rodriguez Puente, brother of Humberto Rodriguez Puente, who was governor of Bolivar during Belisario Betancur's administration. Efrain Rodriguez is implicated in a case involving the smuggling of 500 kg of cocaine.

Evaristo Porras was arrested in San Andres. Authorities announced that he would be transferred to Medellin, with a stopover in Cartagena. However, because of the tight security measures adopted for his transfer, his whereabouts are unknown.

According to Defense Ministry reports, more than 120 people listed by the Council of Ministers as linked to the international drug-trafficking ring headed by Pablo Escobar have managed to evade the authorities, leaving no trace.

OIL PRODUCTION INCREASES 122 PERCENT IN 1986

PA062146 Madrid EFE in Spanish 0631 GMT 5 Jan 87

[Text] Bogota, 5 Jan (EFE) -- Oil production increased 122.1 percent in 1986 in relation to 1985 figures, it was officially reported today in Bogota. The Colombian state petroleum corporation, Ecopetrol, stated this in a report submitted to President Virgilio Barco Vargas, which also indicates that the eastern Colombian area of Arauca alone has reserves that will last into the year 2000.

The increase in direct production per barrel a day was 12 percent, Ecopetrol said. The state corporation reported that crude exports totaled 32,183,877 barrels from January to November 1986.

Ecopetrol's report also said that in other fields of production, at fields that operate under contract with local and foreign private companies, production increases exceeded 439 percent and exploitations by concessions increased 16.7 percent. Production reached an average of 295,872 barrels of crude per day from January to November, an increase of 69.6 percent. This generated foreign exchange totaling $355,990, 435 and marked a surplus in the oil balance of $237,232,898.

However, guerrilla attacks against oil installations, which were constant throughout the year, "seriously upset exploitation goals and posed a grave threat to exploration plans," Ecopetrol noted. During 1986 the pro-Castro National Liberation Army, ELN, staged more than 70 attacks against oil installations -- including attacks on camps and kidnappings of engineers and workers -- and blew up stretches of pipelines and several mines.

The oil company said that despite this, oil exploration plans in Arauca Intendency which is in eastern Colombia near Venezuela, in the Ele River contain reserves into the year 2000 and that exploration there will continue. [sentence as received]

BRIEFS

BALANCE OF PAYMENT SURPLUS -- Francisco Ortega, manager of the Bank of the Republic, has estimated that for the first time in this decade, there will be surplus of approximately $800 million in Colombia's balance of payments, compared to 1.22 billion [no currency specified] in 1985. [Summary] [Bogota EL TIEMPO in Spanish 24 Dec 86 p 2a PA]

POLICE SEIZE COCAINE -- Santa Marta, 23 Dec -- The Narcotics Police Command in Santa Marta has reported that the narcotics police seized 171 kg of cocaine at a secret airstrip located in El Pajaro region. According to the police command, this cocaine could be worth more than 500 million pesos on the black market. Meanwhile, Medellin's metropolitan police seized 44 kg of pure cocaine in searches of 2 residents in western and southern Medellin. [Summary] [Bogota EL TIEMPO in Spanish 24 Dec 86 p 2a PA]

## TOP OFFICIALS EVALUATE 1986 ACCOMPLISHMENTS

PA311505 [Editorial Report] Quito Voz de los Andes in Spanish at 1130 GMT on 31 December broadcasts reports with remarks by government officials evaluating the Ecuadoran Government's accomplishments during 1986.

According to recorded remarks by Marco Lara Guzman, secretary general of public information, "the Ecuadoran Government waged three major battles in 1986." Two of these battles were the battle to "defend and maintain democratic, constitutional order," "despite one of the neatest, clearest, and most conspicuous coup attempts of the past decades of Ecuadoran history;" and the battle against "one of the gravest and most serious economic crises in Ecuadoran history," "manifested in the abrupt, unexpected, and sharp fall of international oil prices." The third battle, the announcer cites Lara Guzman as saying, was "the construction drive," which set into motion construction projects in the 20 provinces of the country.

According to recorded remarks by Ecuadoran Social Welfare Minister Ernesto Velasquez Baquerizo, "the goals we set for ourselves in 1986 were met and surpassed." He adds that his ministry "implemented social and rural development policies to change the situation of poverty and isolation that greatly affects Ecuadoran peace and justice." The social welfare minister gives his "excellent work team" much of the credit for the ministry's accomplishments in 1986.

A report evaluating the work by the Febres Cordero administration in 1986 cites Public Works Minister Cesar Rodriguez, who states that his ministry made investments totaling approximately 30 billion sucres this year. Minister Rodriguez reportedly said that "despite financial limitations, many of the country's roadwork needs were accomplished."

## PENAHERRERA ASSESSES POSSIBLE ECONOMIC CHANGES

PA061600 Quito Voz de los Andes in Spanish 1130 GMT 6 Jan 87

[Text] Ecuadoran Vice President Blasco Penaherrera Padilla has said that our country should make changes in its economy in 1987 and that new measures to counteract the current crisis caused by the drop in oil prices should be taken. Penaherrera added that an increase in fuel prices could be part of the changes.

[Begin recording] [Penaherrera] The price paid for services and goods is closely linked to their cost. This sytem is used in Venezuela, Mexico, Nicaragua, Cuba, and the USSR. Mr Gorbachev has repeatedly insisted upon the need for services to be self-financing so they will no longer be a burden for the community. This is a general measure taken at a time of crisis, but I think that it should be taken at all times. In the case of a fuel price increase, we would have to observe its social impact and consequence in relation to inflation and employment.

[Reporter] Mr Vice President, if those measures are overruled, would there be a possibility of adopting other economic measures for 1987?

[Penaherrera] Naturally. One of the government's economic duties is to make changes and incessant strategic modifications, in keeping with the country's stability. In the case you suggest, we would have to analyze both the fiscal revenue and the economy's availability of foreign exchange.

We would also have to look into various components, such as the increase of exports, possibilities of realtive control of imports, and above all [word indistinct] for the country regarding services as they are generally called, specifically servicing the foreign debt.

[Reporter] Will the self-financing of the services be the basis for the national development plant?

[Penhaherrera] That is a hope and tendency that has been maintained in our country since 1982. Since then, we have been trying to achieve the self-financing of the services; in other words, we have been trying to eliminate subsidies. In the case of the current government, this is a very clear policy that was set in the outline of the development plan presented in November 1984. Since then, our government has been encouraging this tendency. Obviously, we are aware of the logical need for a gradual process of increasing tariffs and costs. In other words, we know that those increases should not have a violent social impact on the cost of living and on the functioning of the economy. [end recording]

Regarding the economic changes, Vice President Penaherrera said they should be reviewed by all sectors, because unilateral functions are not appropriate in the present crisis. He added that soft loans and a reduction in the percentage of the foreign debt should be obtained.

FEBRES REMOVES ORELLANA OVER 'CONFRONTATION'

PA060250 Quito Radio Quito in Spanish 2300 GMT 5 Jan 87

[Text] It was officially learned this afternoon that Miguel Orellana Oramas, secretary of the Presidency of the Republic, is no longer a member of President Leon Febres Cordero's advisory board. Even though the reasons for Miguel Orellana's removal have not been made public, it was learned that he had a strong confrontation with the chief of state, who immediately decided to remove Miguel Orellana from his office. The reason for the confrontation has not been made public, but some sources have said that one of the problems reportedly arose from the use of luxury vehicles by the presidency. The National Congress' political control and investigations committee has been looking into this matter.

Unofficially, it was learned that Simon Augusto Espinoza will replace Orellana Oramas as secretary of the Presidency.

BRIEFS

1987 STATE BUDGET APPROVAL -- Ecuadoran Finance Minister Domingo Cordobez and Enrique Delgado, president of the National Congress' Tax, Fiscal, Bank, and Budget Committee, have signed a document approving the overall state budget for 1987. The budget totals 272,009,359,000 sucres. [Excerpts] [Quito Voz de los Andes in Spanish 1130 GMT 31 Dec 86 PA]

NEW MINES UNDER SECRETARY APPOINTED -- Economist Manuel Horra has been appointed under secretary of mines of the energy and mines industry after Fernando Navarro's sudden resignation. The new under secretary took his post in Minister Javier Espinosa's office. [Excerpt] [Quito Radio Quito in Spanish 2300 GMT 24 Dec 86 PA]

PRESS CRITICIZES U.S. ECONOMIC SANCTIONS

'Inconsistent' Foreign Policy

PY061344 Asuncion HOY in Spanish 6 Jan 87 p 10

[Editorial "signed" by HDD [Humberto Dominguez Dibb, proprietor of HOY]: "United States, Alfonsin, USSR"]

[Text] The United States has not necessarily been noted for granting assistance to anyone without servicing its own interests at the same time. This has been a constant theme in the relations between the country to the North and the Latin American countries, including Paraguay.

"Give a little to get much more" seems to be the U.S. Government's motto regarding Latin America, which is refered to as "the back yard." The United States has always looked after its own interests, and whenever it granted aid, it was not necessarily for the other country's development, but to maintain its own benefits and to politically prevail over obsequious governments.

It comes as a surprise that economic sanctions are now being applied to Paraguay, putting it along with a variety of countries -- including some communist ones -- mixing them up, and making no distinction between allies and enemies.

In all international forums, it must be recalled, Paraguay has always supported the U.S. positions, particularly those related to the struggle against communist countries which try to expand their doctrine to the whole world.

This fact proves once again the inconsistency of the U.S. foreign policy. On the one hand, the United States is greatly subsidizing food for democracy's main enemy, the Soviet Union; and on the other hand, the United States is tying the hands and feet of countries like Paraguay, which has always been a human wall against the expansion of the Marxist-Leninist-Maoist policy. In view of this I ask: What's the U.S. moral authority to sanction Paraguay? Why are we mixed with communist countries like Nicaragua and Romania as though we were all equal? Doesn't it look like a deplorable inconsistency for the United States to subsidize the sale of wheat to the leading violator of human rights, while sanctioning Paraguay for alleged labor rights violations?

By subsidizing the sale of wheat to the Soviet Union, the United States badly hurt Argentina, another victim of the inconsistent U.S. foreign policy. President Alfonsin's trip to Moscow did not help, because he found that the U.S.-Soviet deal had been concluded.

Does the United States not realize that with the shortsightedness, it may cause the free world's developing countries to fall into the hands of communism, as happened with Nicaragua and other countries?

Throughout its history, Paraguay has suffered as the result of interventionism by the United States, which has now taken off the mask which made it look as if it were a friendly country interested in the development of Paraguay. We Paraguayans are proud of having forged our destiny without help from outsiders and will not become frightened by the blunder committed by the U.S. Government at this time.

## Affects People, Not Government

PY062011 Asuncion EL DIARIO in Spanish 6 Jan 87 p 10

[Editorial: "Economic Sanctions"]

[Text] The news that the United States has abolished preferential trade tariffs for imports from Paraguay was greeted in our country with surprise and dismay. U.S. preferential treatment, which generously opened the U.S. domestic market, is a form of help and cooperation extended to the economies of developing countries.

The measure adopted by the United States was not well received here, where the official sector is remaining silent about it, while the private sector does not hide its disapproval.

The supposed reason for cutting this so-called privilege is that, from the American point of view, our country does not meet labor union standards. From our point of view, such standards should be analyzed from the point of view of our national laws, and not from general principles, on which the U.S. conclusions seem to be based.

Anyway, even if the "crime" did exist, the nature of the "punishment" is obviously absurd. If the intention is to punish, the punishment is ineffective, given our small trade volume with the United States and the little real use we make of the preferential U.S. treatment. However, despite the small trade volume, there are certain exporting and industrial sectors which depend entirely on a fluid trade with the United States for survival. The conclusion is that trade restrictions will cause a minor impact on the country in general, but some earnest, hard-working industries of our little-expanding economy will suffer a deadly blow.

Under such circumstances, it could be said that the U.S. attitude is somewhat shortsighted. Our country will be perfectly able to resist the negative results of U.S. economic sanctions, but part of our national private sector will suffer considerable damage without being responsible at all for what originated the U.S. measure against Paraguay.

What is more, if we analyze the situation closely, it cannot be clearly understood whether the punishment is intended for our government or our country. If it is aimed at our government, the measure will have few short or long-term political effects, and its consequences will only be symbolic. But if the punishment is intended for our country, its effects will not be merely symbolic because, by paralyzing a single industry, our working people, who are innocent of the government's faults, will suffer anguish, unemployment, and poverty. This, once again, reminds us of the old problem of economic sanctions which, in the end, affect governments less than the masses. After all, such sanctions affect governments very little but make the people suffer very much. As an example, we can recall the cases of Cuba and weak Nicaragua. Economic blockades imposed on them have not in the least shaken the strength of their regimes, but they have, nonetheless, affected negatively the living standard of their peoples. Of course, these countries have turned to Soviet aid as a means of counteracting the effects of the economic blockade, a measure that is unthinkable in Paraguay, a country closely associated with the "Free World." The absurdity of the measures adopted against Paraguay by the leading "Free World" country, which should have based its considerations on more serious and deep studies, is quite obvious.

Once, experts on communist world expansion said that communist penetration will make progress at the same pace as "Western contradictions." Perhaps, the sudden economic sanction against our country places us in one of these contradictions, which is difficult for us to explain but easy for others to take advantage of.

SAGVIER ON BRAZILIAN, MOON SECT PRESSURES

PY061324 Paris AFP in Spanish 0129 GMT 6 Jan 87

[Text] Asuncion, 5 Jan (AFP) -- Hermes Rafael Saguier, a member of the opposition, today predicted that Brazilian pressure on General Alfredo Stroessner's government will increase this year. He explained that the Paraguayan intelligence services, which are controlled by the Moon sect and Taiwanese and South Korean intelligence services, head the destabilization processes in Brazil and Argentina.

After recalling the victory of the Brazilian Democratic Mobilization Party [PMDB] in the recent elections that were held in Brazil, he also recalled that the PMDB promised to help with the democratization of America.

The Brazilians will stop supporting Paraguay and they will abandon Stroessner to his fate, according to Saguier, whose brother, Miguel Abdon, has now been imprisoned for 115 days for his opposition activities. Saguier stressed that with its current support of Stroessner, Brazil is running the risk of having on its own borders a regime which is totally subject to the dictates of the extreme right. The Brazilians are aware that a regime controlled by the Moon sect is a serious risk to their own democracy, and he explained that everyone knows that the Paraguayan intelligence services are controlled by Taiwan and South Korea.

Expanding his change, Saguier maintained that the Moon sect's intelligence services nurture the destabilization processes in Brazil and Argentina through the tentacles they have in Paraguay.

Regarding the escalating confrontation between two factions of the governing Colorado Party, Stroessneristas and Traditionalists, Saguier predicts that the former faction will win, because the latter do not dare come out openly against the number one enemy of the democrats, obviously referring to Stroessner. He stated that Stroessnerism needs total and absolute power over the party, which is currently dominated by the Traditionalists, as the only guarantee to ensure that the son of the chief of state, Lieutenant Colonel Gustavo Adolfo, will succeed his father as president, with the power of the party behind him.

MRTA BOMBS UN, EASTERN AIRLINES OFFICES IN LIMA

PY071243 Paris AFP in Spanish 1002 GMT 7 Jan 87

[Text] Lima, 7 Jan (AFP) -- Lima police today reported that last night a terrorist commando placed a very powerful bomb in a building housing the United Nations and the U.S. company Eastern Airlines. There were no casualties.

The attack was carried out by the MRTA (Tupac Amaru Revolutionary Movement) terrorist group and, according to the police report, the offices of Eastern Airlines were the main target. This U.S. firm will resume operations in Peru thanks to a new commercial air agreement that has been signed with the United States.

GARCIA INVITES BARRANTES ON NICARAGUA TRIP

PY061245 Lima Television Peruana in Spanish 0100 GMT 6 Jan 87

[Excerpt] Peruvian President Alan Garcia today reported that he has invited [Lima mayor] Alfonso Barrantes to join him on his upcoming trip to Nicaragua. He also denied reports stating he was planning to offer a post to Barrantes.

Garcia made this statement after a visit he paid to (Etramsa) [expansion unknown]. [passage omitted]

BARRANTES TEMPORARILY RESUMES LIMA MAYORSHIP

PY060055 Paris AFP in Spanish 1607 GMT 5 Jan 87

[Excerpt] Lima, 5 Jan (AFP) -- The main leader of the Peruvian opposition, Alfonso Barrantes, today reassumed his post as Lima mayor after the National Election Jury (JNE) suggested he remain in the position until it resolves the charges of irregularities in the 9 November 1986 municipal elections.

A JNE source stated that in addition to the mayorship of Lima, the most important mayorship in Peru from the political point of view, 14 other elected mayorships cannot be filled in various districts of the capital because the electoral authorities still have to resolve similar charges.

Barrantes' aides stated that the head of the United Left (IU) had resumed his post as Lima mayor this morning because he respects the law. The opposition leader had left office on 31 December considering his term of office had expired on that date, after the elections in which he was defeated by Jorge del Castillo, candidate of the ruling APRA [American Popular Revolutionary Alliance].

Normally, newly elected mayors would have assumed their posts on 1 January, but irregularities reported in the voting and the vote count caused a postponement of the turnover of office.

The electoral court has stated that it will try to solve the charges made by the IU and the right-wing Christian Popular Party in the coming 2 weeks. [passage omitted]

REPORTAGE ON SHINING PATH TERRORIST ACTIVITIES

Dynamite Railroad, Plan Escape

PY262132 Paris AFP in Spanish 1351 GMT 26 Dec 86

[Text] Lima, 26 Dec (AFP) -- The Peruvian Civil Guard reported today that Shining Path terrorists dynamited the railroad between the cities of Puno and Cusco, causing the derailment of a freight train and blocking a passenger train for several hours.

Meanwhile, the police reported an unsuccessful prison escape plan by terrorists, and a suspicious fire that destroyed a factory in Lima. The police said that the guerrillas gave no truce, not even on Christmas Day, but fortunately none of the attacks carried out yesterday in the southern Andean region caused casualties.

The attack on the freight train took place near Ayaviri, Puno, some 1,280 km southeast of Lima. Explosions destroyed part of the track and caused the derailment of 12 cars of a National Railway Enterprise train that was transporting fuel and food from Arequipa to Cusco. The derailment took place in a flat area, which according to authorities, prevented the damage from being more serious. The railroad was blocked for 19 hours.

Another attack occurred a few hours later 45 km from Cusco against a train carrying 500 passengers from Puno to Cusco. The engineer, seeing that the track was blown up, managed to stop the train before a derailment could occur, according to the report.

While the guard on trains has been doubled, the police managed to prevent the escape of 280 Shining Path and Tupac Amaru Revolutionary Movement [MRTA] guerrillas from a prison in Cusco, 1,151 km southeast of Lima. The guerrillas dressed as women in an attempt to escape on Christmas Day from the Quenkoro prison.

Some prisoners accused of common crimes acted to prevent the escape because the terrorists refused to allow them to participate in the plot. The police reported that upon entering the terrorist cellblock they found the terrorists dressing up and making themselves up as women. The prisoners were armed with knives and explosives.

Awaiting the time for female visitors, the terrorists planned to leave the prison disguised as women. The police said that five women relatives of the terrorists were arrested for participating in the plot.

A fire broke out yesterday at the local subsidiary of the Japanese National Enterprise, destroying 80 percent of the installation, as well as some adjacent houses. Sixty people were affected. The factory produced batteries and television screens.

The police reported that they will investigate the cause of the fire because some eyewitnesses reported hearing a bomb go off inside the factory. Two years ago this factory was the target of a terrorist attack, and nearby residents on that occasion managed to capture one of the terrorists, whom they handed over to the authorities.

## Raid Vilcas Huaman

PY292058 Madrid EFE in Spanish 2118 GMT 28 Dec 86

[Excerpt] Lima, 28 Dec (EFE) -- The residents of the village of Vilcas Huaman, in the Peruvian department of Ayacucho, spent a Christmas Eve of terror when a column of over 200 presumed Shining Path guerrillas spread destruction throughout the village. The details of the terrorist raid on Vilcas Huaman were revealed today by Lima newspapers that reported the looting of houses, shops and community offices, and the burning of government buildings and the town hall.

The Shining Path group, 200-strong, was made up of men, women and children armed with machine guns, rifles, pistols, and grenades. The attackers descended from the hills carrying burning torches. When they entered the village, they divided into four groups, and raided and looted each house in an attempt to find Deputy Prefect Gerardo Riveros and Mayor Antonio Aguilar, both of whom are members of the ruling American Popular Revolutionary Alliance.

Riveros, who was with his family, was able to escape before the Shining Path reached his home, and the mayor was not in town. Vilcas Huaman is located 80 km south of the departmental capital of Ayacucho, which is 525 km southeast of Lima.

The Shining Path later gathered the population of over 3,000 in the village's main square, urged them to join the armed struggle and forced them to cheer "President Gonzalo," as the top leader and ideologue of the Shining Path, university professor Abimael Guzman, is known.

Afterward, and still divided into groups, the terrorists burned the houses of the wealthier villages, the deputy prefect's house and the mayor's house, the town hall, the post office, the deputy prefect's offices, and the premises of the Ayacucho Development Corporation. Before leaving Vilcas Huaman, and after 4 hours of spreading terror, the terrorists placed 13 red flags bearing the hammer and sickle throughout the village.

After the terrorists left, according to reports, the villagers went to the Army patrol posted near the village and protested the lack of protection during the raid. According to the daily LA REPUBLICA, they were told the Army did not intervene because of orders to protect the military post and "avoid a large number of casualties that a fight in the main center of Vilcas Huaman would have caused." According to the government newspaper LA CRONICA, the 30 soldiers at the military post did not intervene "because they did not feel they were prepared to face the terrorists." [passage omitted]

## Attack Pachacayo Police Station

PY312057 Paris AFP in Spanish 0221 GMT 31 Dec 86

[Excerpts] Lima, 30 Dec (AFP) -- Huancayo police sources have reported that terrorists today killed a policeman and injured others in the town of Pachacayo, 300 km east of Lima and near the city of Huancayo where last night a policeman was killed by terrorists.

A group wielding submachine guns and rifles today attacked the Pachacayo police station shortly after Corporal Nery Herrera was blown to pieces as he was trying to defuse a bomb tied to a red flag that was hoisted in Pachacayo's main square. The explosion injured several civilians and policemen.

Army and police forces undertook a dragnet operation, seeking the subversives who have extended their actions into this zone, some 200 km north of their stronghold in Ayacucho.

Last night, policeman Lorenzo Gastelu was killed on a street in Huancayo. He was shot twice in the head.

Elsewhere, local press correspondents in Ayacucho, 575 km southeast of Lima, today protested because military authorities seized from Alberto Llanos, a special correspondent from a Lima television station, a film on the destruction caused in Vilcas Huaman by the Maoist Shining Path guerrillas. [passage omitted]

Elsewhere, a report datelined Ayacucho stated that General Antonio Gil Jara, the political-military commander of Ayacucho, which has been declared in a state of emergency because of the Shining Path activities, today said good-bye to the troops based in the region. Gen Gil Jara will be replaced in January 1987 by General Jorge Sanchez.

## Blamed for Barranca Blackout

PY051830 Paris AFP in Spanish 2335 GMT 4 Jan 87

[Text] Lima, 4 Jan (AFP) -- The Peruvian Civil Guard has reported that terrorists today blacked out 6 towns in northern Peru with bomb attacks which especially affected Chimbote and Barranca. One person was reported wounded.

In Chimbote, Peru's main fishing port 445 km north of Lima, terrorists bombed the state bank, a city hall agency, and a Civil Guard station. The police said that Santos Cabada, who was on guard at one of the attacked sites, was wounded by shrapnel and had to be taken to a hospital.

In Barranca, some 260 km north of Lima, three high-tension towers were blown up in the Cahuac zone, blacking out this town and the nearby towns of Paramonga, Pativilca, Supe, Puerto Supe, Huarmey, and other small villages. These attacks, which were staged simultaneously with the bombings in Chimbote, early this morning caused a paper manufacturing plant and a sugar mill to stop their production.

Police blamed the attacks on the Maoist Shining Path guerrilla group, but reported no arrests. The source said that the bombings caused considerable damage and that efforts are still being made to normalize the electric power supply in Barranca.

## BRIEFS

NEW SUPREME COURT PRESIDENT -- President Alan Garcia has sworn in Juan Vicente Ugarte del Pino as the new president of the Supreme Court of Justice. [Summary] [Lima Panamericana Television Network in Spanish 0300 GMT 3 Jan 87 PY]

COCAINE PASTE SEIZED -- Lima, 19 Dec (AFP) -- The Peruvian Civilian Guardsmen have seized 5,000 kg of cocaine paste in the central Huallaga region, some 500 km northwest of Lima. The operation was conducted by the Rural Patrol Mobile Unit (Umopar) as part of Operation Condor V against drug traffic in the central Amazon region. [Summary] [Paris AFP in Spanish 1717 GMT 19 Dec 86 PY]

## BROAD FRONT SAYS 'FULL STOP' RESULT OF PRESSURE

PY301636 Madrid EFE in Spanish 0221 GMT 30 Dec 86

[Text] Montevideo, 29 Dec (EFE) -- The Broad Front president, General Liber Seregni today said Congress "has given in to military pressure" in approving the Full Stop Law which ends the prosecution of military and police officers involved in violations of human rights.

In a New Year message broadcast by radio and television, Sergeni said "we will take all necessary steps, within the Constitution and the law, to make sure truth and justice prevail."

"We do not agree and will not accept it," said the leader of the Broad Front.

Last week the Uruguayan Congress approved a law suspending the prosecution of those involved in violations of human rights during the military regime (1973-1985).

Broad Front senators and deputies voted against the law which was approved by the votes of representatives of the ruling Colorado Party and the main opposition National or Blanco Party.

The social democrat Party for the People's Government [Partido por el Gobierno del Pueblo], a majority group within the Broad Front, today said it will join the campaign for a plebiscite on the law.

The initiative was taken by the Association of Mothers and Relatives of Arrested and Disappeared People which must gather 500,000 signatures before a plebiscite can be called.

The National Liberation Movement-Tupamaros Faction (MLN-Tupamaros) supports the call of a plebiscite.

Uruguayan President Julio Maria Sanguinetti last night said the law "is constitutional."

### For Plebiscite on 'Full Stop'

PY060130 Madrid EFE in Spanish 2126 GMT 5 Jan 87

[Exerpt] Montevideo, 5 Jan (EFE) -- The Broad Front leftist coalition today decided to support a call for a plebiscite regarding the "Full Stop" law limiting trials of military men and policemen charged with violating human rights. The law has been approved by the Uruguayan Congres.

The Broad Front executive broad in a meeting held today decided to "side with" those who promote a referendum regarding the "immunity law." This was disclosed by Juan Jose Crotogini, former presidential candidate for the leftist coalition. [passage omitted]

PRESIDENT LUSINCHI'S NEW YEAR ADDRESS TO NATION

PA312241 Caracas Television Service in Spanish 1530 GMT 31 Dec 86

[President Jaime Lusinchi's New Year's address to the nation from Ayacucho Hall at Miraflores Palace -- live]

[Text] Ladies and gentlemen, people of Venezuela: Today is the end of 1986 and, as is customary and traditional, the president has a few moments of dialogue with his people to make an evaluation of the road we have traveled and how it was done. I also intend to express wishes for the happiness of our country and all of its inhabitants. Throughout the years of my administration -- the third year will soon arrive -- I have made it a point to speak to the country with clarity, calmness, and dedication. Therefore, upon making an evaluation of our events and our actions in 1986, I do it with the clear conscience of one who has governed for good of all and has always done his best. This has been carried out in the midst of so many difficulties and complexities never before experienced in our democratic era. To realize how difficult it has been, suffice it to say that faced with the challenge of a very high foreign debt and the accompaning serious obligations, to make matters worse in 1986 there was a abrupt drop in oil prices to less than half of what they were in 1985 and one-third of what they were in 1981.

At the end of December 1985, we budgeted for an oil income of $12.735 billion but only received $8.02 billion. These figures show the magnitude of our difficulties if we then add the foreign debt obligations.

With all of these factors working against us, perhaps I will not sound overly optimistic if I say that we have been able to surmount the difficulties with prudence, without rashness, seeking at all times on equilibrium which would allow us to forge ahead without creating unjust situations or tension, always seeking a way so that the weaker would suffer less. It is no simple matter. Day after day, here at Miraflores, we have worked with dedication in the search for the best solutions. Not all sectors showed satisfaction with our policies. This seems obvious and also inherent to the human condition, and much more when one is in a position of leadership. In fact, such a condition seems to fulfill itself better when more is demanded of one, and in the face of the harshest criticism. [sentence as heard] I understand it, and I interpret it in my condition as a democratic leader and as a member of the people, as a normal fact that greatly stimulates us.

We will never be satisfied. It is right and good that it be so, provided we do not act impelled by unspeakable motives. I have not sought recognition for the sake of recognition, much less a premature recognition. I work to fulfill my duty, and that is enough. I do believe we are in the middle of the road, and we act with the hope and certainty that this effort will bear fruit. I do not aspire to an overwhelming result and I do not foresee it either, because these times are not fit for great achievements. These are times of transition, in which habits and behavior must be readjusted and rectified, and the true Venezuelan self must be discovered.

We have the utmost confidence in Venezuela. The more one travels throughout the country, visiting all its corners, talking with its people, studying its problems, meditating on its riches and its possibilities, one thinks, and rightly so, that there are few countries like this one.

If we had a little bit more understanding, if we had a little bit more faith, if we knew our country better, how proud and enterprising we would be! However, if the road is difficult, the learning process seems to be slow. At any rate, I sincerely feel that the 1986 balance has been positive and that we must feel encouraged because in the midst of so many adversities we have walked in peace, without great conflicts or confrontations. This is truly everyone's achievement.

Of course there will be those who will ask where my positive evaluation stems from. Well, I will explain. After 8 years of stagnation we have put the economy back on the way to recovery, and according to data and figures submitted by the Central Bank of Venezuela and the Central Office of Statistics and Computer Science, the gross national product has grown by 3.3 percent. Unemployment has been reduced to 10.5 percent, and we have kept inflation to the lowest levels in the developing world: an estimated 11.5 percent.

In 1986 we may feel very pleased by what has been accomplished in the agricultural sector in the noble earth, well worked, with passion and confidence. If we compare, for example, the figures for 1983 with those for 1986, we will understand the significance of what I say. In 1983 the agricultural product was 0.4 percent. [not further specified] Agricultural imports were $1.175 billion. In 1986 the agricultural product was 6.8 percent and imports only $673 million. There is more. In 1986 we exported $454 million, compared to a meager $21 million in 1983. In conclusion, we have reduced our foreign trade deficit in agriculture from $1.154 billion to only $220 million. That means we have improved the agricultural trade balance by $934 million. This is of course encouraging, and shows us that we must insist in this policy of agriculture and cartle production, not only for the domestic market but also for export.

In the industrial sector, we continue to forge ahead positively. The statistics show it. There was a significant acceleration in production activities which increased from 2.3 percent in 1985 to 6.2 percent in 1986. The service sectors, which had fallen to minus 0.4 percent in 1985, have grown to 1.7 percent in 1986. We also emphasize that the biggest improvement occurred in marketable goods, where the 1986 growth rate was 5.4 percent. The manufacturing and the agricultural sectors were determining factors in this impressive growth rate. The construction industry was able at last to break out of the serious slump it had been suffering for the past 8 years. We had a growth of 12.3 percent in the national gross product of construction.

What had seemed like an endless slide downward has become an economic promise for generating jobs and well-being. I must point out that we have built 91,000 houses, with more than 90 percent located in the interior. The construction plans, streets, electricity, water, telephone and basic service infrastructure were positive.

Speaking of the construction sector, I cannot fail to mention the great Raul Leoni Dam in Guri. It was fully operational this year. It is an achievement of democracy, a great achievement. It is Venezuelan. It was built by Venezuelans and has been the great proof that we can and know how to turn the wildest nature into a servant of progress. It was a great day for Venezuela: We showed the world and ourselves what we are capable of. Efforts, persistence and a futuristic view were combined in this accomplishment. These are the values we must reaffirm if we want to overcome the challenges that lie ahead. Guri is a lesson, a stimulus, a challenge.

The long-awaited Orinoco-Apure river axis became a reality. This initiative was completed with the arrival on 29 September of the Beta Geminis barge at the river port of Totumito in Apure with a cargo of 400 tons of steel bars from Ciudad Guayana. Never before in our history had such a large cargo been transported such a distance. This historic 1,200-km journey through the Orinoco and Apure Rivers was repeated six times. The cargo was coke from the Tachira coal mines for the basic enterprises in Guayana. The industrial development of coke and Andean phosphate rock and their transportation through that waterway in the future will save the country about 5 million bolivares in strategic minerals which are presently imported.

To this initial effort we may add another one of basic importance for the development of our river navigation. The first 500 tons of bauxite from the Pijiguaos arrived at the Interalumin dock in Matanzas, after passing through 640 km of river from Puerto Gumilla in the deep Orinoco. The damming of the Orinoco River is expected to be concluded next year and we propose to transport about 800,000 metric tons of bauxite, a figure which will increase steadily until we reach the proposal goal of 6 million tons in 1990.

With these steps of great significance for the country, we reaffirm the efficacy of our rivers for transportation purposes, thus promoting the socioeconomic and geographic integration of the national territory and at the same time opening new areas for colonization, away from the traditional and congested central-coastal axis. We may affirm with satisfaction that the country begins a new territorial strategy on a firm basis.

We also progressed in education and health. School enrollment not only increased numerically, but the performance levels improved in all educational areas. The percentage of graduates from basic, secondary, and diversified education centers and higher education has been the highest in recent history. As a result of the application of the general regulations of the education law with regard to the new system of evaluating scholastic performance, there was an approximately 4-percent increase in graduations in 1986, which at the same time means an increase in the number of students who passed.

There was also a favorable increase in the percentage of live births, and we improved life expectancy rates. In 1980, the infant mortality rate was 31.7 for every 1,000 live births. Today, it is just 27.6, a rate that only exists in the more developed countries. In 1986, life expectancy is 71.6 years, which means that since 1981, the average Venezuelan has gained 1.92 years of life.

Strict control of endemic diseases was maintained. A massive vaccination program for children was implemented, and the policy of health prevention and primary attention was reestablished to such a point that there were a total of 6,337,000 preventive consultations. This signifies a 33 percent increase over the previous year.

Science, technology, and culture were also the object of government concern. Venezuela was the center and site of important national and international events in these fields. I must admit that much still needs to be done, but we promise to increase our efforts in 1987 to give priority and due support to these sectors, which are and must be basic elements in our consolidation as a cultured and modern nation.

Our country's participation in the international sphere is based on a series of fundamental principles, deeply rooted in our democratic way of life and our traditional love of freedom. Our foreign policy is currently and must always be a foreign policy of the Venezuelan state, aimed at defending and strengthening the country's interests and contributing to the establishment of a more just international order.

In this way, the search for our foreign policy role in 1986 has reflected, through the exchanges and proposals, a deep Latin American and Caribbean inclination, a firm dedication to solidarity with the developing countries, and a sustained determination to promote world and regional peace.

We carried out this search in our trips to Argentina, Brazil, Colombia, Spain, Portugal, Trinidad and Tobago, and Uruguay.

The development of our foreign trade, especially with regard to replacing imports and diversifying exports, was increased to encouraging levels. This shows that we can and must insist on facilitating production that encourages creativity and contribution of the internal sector and also promotes Venezuela's presence abroad. The renewed vigor of that trade has also been based on the defense of raw material prices, access to foreign markets, and the rejection of protectionist measures that disrupt a healthy climate of trade and economic growth for all.

With regard to relations with neighboring countries, Venezuela has continued to implement a policy based on cooperation. We are also committee to a policy that is alien to circumstantial vicissitudes and that is oriented toward enhancing closer ties and common interests.

As a result of the recent meeting of foreign ministers in Rio de Janeiro, we must especially mention within the framework of regional concerted efforts a new phase in an interesting experience of rapprochement among countries of the region, and of an intensification of Latin American and Caribbean solidarity which emerged with the activities of the Contadora and Support Groups, which have gathered eight Latin American countries -- Colombia, Mexico, Panama, and Venezuela, and Argentina, Brazil, Peru, and Uruguay. The latest initiative signifies the opening of fruitful possibilities for relations among our countries.

In global terms, there are expectations about whether there will be a climate of peace or of international tension. I refer to the relations between the two superpowers, which we hope will be open to exchange and aimed at achieving essential understandings in the area of disarmament and control of nuclear and conventional weapons. In this respect, we fully support the warnings issued this Christmas by His Holiness John Paul II, which were so full of anguish and which wisely interpret the most serious issue of our time.

In this regard, our country will continue its efforts for international harmony and peace from its position as president of the UN Security Council, a post that it will assume tomorrow. In that high international organization, we will maintain, as we have done to date, a position of equilibrium and deliberation as well as of full respect for international law. In short, in 1986 my government has implemented a foreign policy with practical results, closely linked to the principles and aspirations that make us a free and democratic nation. We will continue on this course.

In this year, our Armed Forces redoubled their efforts to make our Army, Air Force, and Navy institutions that, beyond their primary and praiseworthy duty of guaranteeing national sovereignty and Venezuelan democracy, honored their obligations by placing their leaders, men, and equipment at the service of the overall development of our nation: materially, intellectually and morally. As their commander in chief, I pay them special tribute today.

This year brought us the challenge of living with only slightly more than a third of the petroleum revenue of the golden years, when the increasing wealth made us think that we could live without working much and achieve everything without great effort. The truth is that era only produced a great debt and years of poverty that have been very difficult to overcome. The wise and realistic policy that the government has undertaken since 1984 gave us the foundation to confront adversity and redirect society to more demanding but surer and more definite goals.

We have drawn up the guidelines for my government in its second phase when the sun is already at our backs, but continues to provide sufficient energy so that we can keep our promises to Venezuela, its workers, its people, its youth, its Armed Forces, and above all, its children. It is now up to us to implement them with a firm but understanding belief in reality, especially those guidelines that are of interest to the national majorities.

Today is a good occasion to take note of some thoughts about our nation. Venezuela has shown with tangible facts that it can grow economically without forgetting the necessary emphasis on the resolution of its social problems, employment, public services, health, education, and the quality of life in general. These few facts gain greater significance when one realizes that we achieved all of this with a reasonable control of inflation and in the most adverse economic conditions imposed by an overwhleming foreign debt that we inherited, an unprecedented fall in petroleum revenue, and an inefficient administrative machinery that we are now improving. As the local saying goes, this means that when we want to, we can do it.

From this very special window that the presidency of the Republic represents, I have been granted the privilege of rediscovering Venezuela in its new dimensions and capabilities. I want to share this with you so that we can understand the present that we are living in and the future that we are building and must continue to build. The country today is different from the one that we had just a few years ago. Its economic framework, the social conduct toward production, work, education, and recreation, and the behavior of each Venezuelan toward the other members of society are different, much more positive, creative, nationalistic, and solidaristic.

Yes, there are new difficulties, challenges, and problems, but there is a strong, great, and vigorous country that overcomes its difficulties and triumphs. This is the origin of our well-founded and reasonable optimism. The quality of the country and our people is the basis for our optimism.

Dear compatriots: This is the Venezuela of 31 December 1986, the one we love, the one for which we struggle, the one that we must bequeath to our children.

That is why Venezuela needs everyone, the politicians of the government and the opposition, aligning their efforts around the best interests of the country and setting aside personal interests in favor of Venezuela as a whole. It needs businessmen, creating wealth to distribute well-being without selfishness to all the people. It needs the workers, contributing their work as an essential tool for national and personal betterment. It needs the intellectuals, researchers, and scientists, contributing their best knowledge, imagination, and cultural wealth at the service of the national objectives. It needs the youth, increasing their efforts to learn everything that constitutes the foundation of an integral education for human progress and carrying out the most important task of youth, the renewal of the country's intellectual, moral, and material strength, which is the only way to guarantee a better future. It needs the military, using the power and knowledge that the Republic has placed in its hands to guarantee our sovereignty, democracy, institutions, and peaceful development as a free and prosperous nation.

In short, it needs each and everyone, supporting the rest in the past of achieving the goals that are an obligation for all Venezuelans: collective well-being and individual fulfillment within sound principles of respect for ourselves and others. Man is a social being, this gives him those obligations.

At this time, mankind stops to reflect on the past and make the best resolutions for the coming year. This is a good time to express to all Venezuelans and all those who live with us my words of encouragement, gratitude, and confidence in the future and my best wishes as president and as an individual for the happiness of all of you. At this time, I am one more person with the common desire for peace, progress, and well-being for Venezuela, this beloved land of grace. Much happiness in 1987 and let it be a year of progress and personal and family fulfillment. Cheers!

PRESIDENT SPEAKS TO CONGRESS ON 1986 ECONOMIC GAIN

PA281310 Madrid EFE in Spanish 0031 GMT 28 Dec 86

[Text] Venezuelan President Jaime Lusinchi presided over the closing of the ordinary sessions of the Venezuelan Congress, and in his speech indicated that the Venezuelan economy grew 3.3 percent in 1986.

Lusinchi summarized his administration during this past year in a ceremony at the executive's Miraflores Palace, which was attended by his ministerial cabinet and a delegation of senators and deputies of the Venezuelan Congress.

During his speech, the social democratic politician indicated that after 8 years of poverty, the per capita income of Venezuelans has increased despite the financial problems this oil-producing country has faced due to the international oil market crisis.

Venezuela and Mexico (a non-OPEC member) are the two largest exporters of crude in Latin America, and Venezuela's economy in the last 4 decades has been wholly dependent on the foreign currency generated by the crude oil exports. Consequently, the destabilization of the international oil market during 1986 considerably affected the local economy, which had to face the fall of its oil prices from $26.50 to less than $14 per barrel.

The president maintained that his government has been responsible for economic growth within the framework of the worst crisis to confront the world oil market, of which Venezuela is indirectly dependent.

The leader of the governing Democratic Action (AD) based his statements on the fact that while oil income in 1982 was $18.984 billion, Venezuela will receive only about $8.02 billion in oil incomes in 1986. According to official figures, the fall of the crude oil prices respresents a decrease in income if nearly $5 billion, as reflected in the nation's annual budget.

For Lusinchi, the above figures show that a veritable "oil toboggan" has taken place in the country, and this situation has demanded a policy of fiscal equilibrium and the reorganization of international finances. Lusinchi explained that the growth indicated is remarkable if one takes into account the unfavorable circumstances that the country has had to face during the entire year of 1986.

Moreover, the chief of state pointed out a "favorable" evolution of the unemployment rate in the last 2 years, from 14 percent in the the first semester to 12 percent in the second semester of 1985; later reaching 11.7 percent in the first 6 months of 1986, and culminating in 10.5 percent for the end of this year. "This means that this year we have been able to create in the real sectors of the economy 266,562 new positions," said Lusinchi, "allowing us to absorb the aggregate demand added every year, which reached the figure of 188,321 in 1986."

During 1986, official efforts reduced the number of unemployed Venezuelans by 78,231, according to the president's figures, although he admitted that the number of individuals who have no work in the country is still high: 639,360 persons who "statistically are looking for jobs."

In addition, the president recognized that the positive effects mentioned are the result of a concerted effort on the part of all the national sectors; in particular, he mentioned the specific task carried out by the Venezuelan Congress.

He reiterated his desire to conduct the nation on an even course and requested "active support by the opposition and the politically independent sectors," for constructive action on behalf of the country.

UK'S HOWE CONCLUDES MEETINGS, ENDS VISIT

Meets Petricioli

FL062252 Mexico City NOTIMEX in Spanish 0343 GMT 6 Jan 87

[Text] Mexico City, 5 Jan (NOTIMEX) -- Gustavo Petricioli, Mexican secretary of finance and public credit, has received a courtesy call from British Foreign Secretary Geoffrey Howe. During their closed-door meeting, the two officials examined economic and financial relations between Mexico and the United Kingdom.

Attending the meeting were Miguel Mancera Aguayo, director of the Bank of Mexico; Francisco Suarez Davila, under secretary of finance; and Jorge Eduardo Navarrete, our ambassador in London.

Departs for Bermuda

FL061906 Mexico City NOTIMEX in Spanish 1819 GMT 6 Jan 87

[Text] Mexico City, 6 Jan (NOTIMEX) -- British Secretary of State for Foreign Affairs Geoffrey Howe has ended a 2-day official visit in Mexico and left for Bermuda at 10:10 local time.

The chief of the British Foreign Office [as received] will meet in Bermuda with U.S. Secretary of State George Shultz. Howe said here he will tell Shultz that the Central American problem will only be solved through political channels. Howe will explain to his U.S. counterpart the retaliatory actions the EEC could take if the United States increases its protectionist measures regarding its European trade.

During his stay in Mexico City, the British official met with Mexican President Miguel de la Madrid. According to Howe, they exchanged views related to the economic situation, Central America, the Falkland Islands, South Africa, East-West relations, and arms control.

Howe, who arrived in Mexico City last Saturday [3 January] and began his official visit on Monday [5 January], met here with Foreign Secretary Bernardo Sepulveda Amor, Commerce and Industrial Development Secretary Hector Hernandez, Finance and Public Credit Secretary Gustavo Petricioli, Bank of Mexico Director General Miguel Mancera Aguayo, and Pemex Director Mario Ramon Beteta.

Trade Missions Scheduled

FL070325 Mexico City NOTIMEX In Spanish 1839 GMT 6 Jan 87

[Text] Mexico City, 6 Jan (NOTIMEX) -- British Ambassador to Mexico John Morgan said today that a British trade mission will arrive in Mexico at the end of March to increase bilateral relations.

The diplomat was interviewed at the Mexico City Airport where he accompanied Sir Geoffrey Howe, British secretary of state for foreign affairs, who concluded an official 2-day visit.

Morgan said Howe's meeting with Mexican President Miguel de la Madrid and other federal government officials was very satisfactory. The basis for continuing bilateral trade and technological and political exchange were reaffirmed, he said.

The ambassador said the principal goal of the British mission will be to examine new joint investments and seek new ways to increase trade.

He also said that one of the four missions that will visit England this spring will be headed by the deputy secretary of foreign investments of the Secofin [Secretariat of Commerce and Industrial Development] to continue the promotion of Mexican products in the United Kingdom.

He concluded by saying that there is great interest because large British groups visit Mexico. In 1986, 26,000 British citizens visited the country and it is expected that this figure could be exceeded in 1987, said Morgan.

UNOMASUNO ASSAILS ABRAMS' REMARKS ON NICARAGUA

PA042019 Mexico City UNOMASUNO in Spanish 2 Jan 87 p 17

[Editorial: "Washington Shows Its True Face to Central America"]

[Text] When Elliot Abrams, U.S. assistant secretary of state for inter-American affairs, said yesterday that the efforts made by Contadora have been "phony" ["falsos"], that it is necessary to send U.S. troops to support the Nicaraguan contras, and that the only way to secure peace in Central America is to weaken the Managua government, Washington abruptly showed its warmongering intentions toward the most conflictive area in the continent. Paradoxically, Abrams' spur-of-the-moment folly has made evident that it is not Sandinist Nicaragua that represents an obstacle to peace in the region, but the intervention of the United States, which has moved from the illegal financing of the contras to seriously thinking about a direct military intervention.

This new escalation in the Central American conflict is taking place within the framework of the crisis provoked in Washington by the discovery of illegal deals with Iran and the detouring of funds to help the Nicaraguan counterrevolutionaries behind the U.S. Congress' back. It has also quenched the optimism of those who had hoped that the blow to U.S. foreign policy would soften the hostility toward the Sandinist government. Now it has become clear that the United States has interests in this matter that are more valuable than its diplomatic reputation with Latin America and with its European allies.

Abrams referred to these strategic interests when he declared that Congress "cannot abandon the contras knowing what the consequences would be." The truth is that the consequences would not really support the childish U.S. hypothesis that if Nicaragua were to be released from the pressure of war it would export its "communist" revolution to the rest of Central America and would turn itself into a huge airbase for the Soviets and the Cubans.

Behind this propaganda talk is Washington's fear that a country from the area could resolve its grave social problems -- which are very similar to those of its neighbors and which result from colonialist exploitation by the United States -- through a nationalist road apart from that superpower's aegis, and that it could take its human and material wealth out of the U.S. sphere of influence.

It would be difficult to export the Nicaraguan revolution because it is a particular national movement, even though it does have some principles that have universal value. However, that revolution, limited to its own territory, can be -- and undoubtedly would be -- an explosive example for the people of Honduras, El Salvador, Guatemala, and Costa Rica. The U.S. economy and foreign policy can easily do without the support of little Nicaragua, but a political change in Central America -- something that would have unforeseeable consequences in the rest of the continent -- is inadmissible to a United States with imperialist convictions.

The Contadora and Support Groups must therefore extend their struggle and go beyond [as published] the search for peace options for Central America. The statements by Elliot Abrams have made it clear that it is now necessary to find new forms of international coexistence in all America.

## OFFICIALS REVIEW ANTINARCOTICS OPERATIONS

### Navy Reports 1986 Activities

PA030152 Mexico City EL NACIONAL in Spanish 29 Dec 86 p 1

[Article by Jose Luis Aguilar V]

[Text] In 1986, the Mexican Navy destroyed over 110 tons of marijuana.

The above information was included in a report issued by the Secretariat of Navy. The report stated that the Mexican Navy participated in 1986 antinarcotics operations with a total of 117 surface units [not further identified], 25 air and naval units, and 39 infantry, naval, and police units. A total of 15,000 Navy personnel were mobilized in diverse antinarcotics operations.

As a result of these operations, the Navy seized 43.5 tons of packed marijuana, 2,132 marijuana plants, and 9 tons of marijuana seeds. Moreover, 233 kg of cocaine were seized, as well as various-calibered rifles, 5 land units, 6 surface units, and 3 air units. ["units" not further identified]

The Navy also burned 67 tons of marijuana, 31 tons of marijuana seeds, and 578,000 marijuana plants in the area where they were found. In addition, the Navy burned 10,000 poppy plants, and 410 grams of cocaine.

The report noted that the Mexican Navy has fulfilled its objectives within its overall plan of action. These goals include the war on drug trafficking, protecting our sovereignty and sea resources, and assisting civilians in case of disaster.

## PGR Report Noted

FL060420 Mexico City NOTIMEX in Spanish 0346 GMT 30 Dec 86

[Text] Mexico City, 29 Dec (NOTIMEX) -- The Attorney General's Office (PGR) has designated 7,199,199,000 pesos -- 42.6 percent of its budget -- to the struggle against drug trafficking, said David Jimenez Gonzalez, member of the Justice Commission of the Chamber of Deputies.

In 1986, he said, PGR representatives destroyed 21,867 poppy plants, 23,707 marijuana plants, and confiscated 190,844 units of depressants (psychotropic substances), and 95,721 stimulants. They confiscated 5,321 kg of cocaine from 1 January to 15 December, 1986, he said. In 48 months and 15 days, they detained drug traffickers [as received], confiscated 2,823 land vehicles, 58 airplanes, 37 ships, 5,171 weapons, and 134,112 cartridges.

In addition to the Attorney General's Office, said Jimenez Gonzalez, the Mexican Army and the national Navy are also participating in the campaign against drug trafficking. He added that the PGR has 43 206-Bell helicopters dedicated to the task of spraying and 12 212-Bell helicopters used to transport support personnel. They also have 19 light planes, 8 airplanes, and 375 pieces of land equipment to provide logistic support to the antidrug campaign, he said.

Finally, Jimenez Gonzalez said Mexico's struggle against drug trafficking and drug dependence is honorable, strong, vigorous, honest, and expresses international solidarity and profound domestic concern.

## Belizean Border Traffic Cited

FL060346 Mexico City NOTIMEX in Spanish 0249 GMT 3 Jan 87

[Text] Chetumal, Mexico, 2 Jan (NOTIMEX) -- Mexican Army forces confiscated a small bottle of marijuana resin, $16,881, and Colombian, Costa Rican, and German currency from two U.S. citizens, said the commander of the 34th military zone, Edmundo Antonio Espinosa.

Antonio Espinosa said the drug is being produced in Belize at the Mexican border and seems to be very successful because its trafficking is simple. He added that the marijuana resin is similar to hashish but is spread on paper and smoked. The detained U.S. citizens, Ronald and Betty Winchell, said the bottle was obtained at a clandestine laboratory near the border and they were planning on introducing it into the United States to promote the drug and to develop a market.

The military commander said drug trafficking is being fought in the entire state of Quintana Roo and added that permanent vigilance has been established along the 68-km Rio Hondo, which divides Mexico from Belize, to prevent Mexicans from crossing into Belizean territory on a daily basis to produce marijuana, for which they are paid $5 a kg.

## PARTIES PROTEST 'KINDLE LIBERTY' EXERCISES

### APP Cites Legal Violations

PA031658 Panama City EXTRA in Spanish 3 - 4 Jan 87 p 15

[Text] Yesterday an assembly of presidents of the Authentic Panamenist Party [APP] centers took place in the convention room of the Newsmen's Club, and among the many resolutions approved was one dealing with joint military maneuvers in Chiriqui.

This Arnulfista [named for APP President Arnulfo Arias] meeting took place to commemorate the 55th anniversary of the 2 January 1931 uprising when the Communal Action Party overthrew President Florencio Harmodio Arosemena, thus creating the National Revolutionary Party which served to elect Dr Arnulfo Arias president in 1940.

The protest resolution against the maneuvers of U.S. troops and Panamanian guardsmen says in its introduction clauses "that the National Guard is at present being led in violation of its own law, as the officers that lead it should be retired."

The resolution requests that "the U.S. Government abstain from taking part in any business or maneuvers with the Government of Panama and or the National Guard until the laws that rule our way of life are respected."

There is strong opposition from all sectors of the country over the joint military maneuvers which are to take place this month in Chiriqui between the U.S. Army and Panama's National Guard.

There has already been an extensive communique issued by the Revolutionary Party of the Workers protesting these military exercises, which will cost $5 million and in which 4,000 U.S. nd 4,000 Panamanian troops will take part. General Manuel Antonio Noriega, who heads the National Guard, authorized the maneuvers.

### PST Condemns 'Intervention'

PA041708 Panama City LA PRENSA in Spanish 4 Jan 87 p 16 A

[By Jose Quintero De Leon]

[Excerpts] The Socialist Workers Party, through its spokesman, Herasto Reyes, has condemned the forthcoming joint military maneuvers of the U.S. Army and the Panamanian Defense Forces, stating that they are "a gross military intervention in our country" that General Noriega and the military institution he commands are happy to carry out. [passage omitted]

Reyes that his party has always criticized the maneuvers, adding that it had also always criticized the Torrijos-Carter Treaties because it believes they are used as the legal basis for the development of the military exercises.

According to the political leader, these maneuvers lead to only one thing so far as Panama is concerned: the loss of jurisdiction, such as judicial jurisdiction in regions far from the Panama Canal area.

Reyes said that by maintaining an agreement on maneuvers supposedly for the defense of the canal, the treaties abolish Panamanian jurisdiction in the national territory. [passage omitted]

Focusing on the real objective of the maneuvers, Reyes said that they are aimed at training the Central American armies and particularly the Panamanian Army for a possible U.S. intervention in countries such as Nicaragua or El Salvador.

In supporting this view, Reyes added that it is not advisable for U.S. interests that any Central American country maintain an independent policy -- something that, in his opinion, Nicaragua has achieved. In order to confront this, Reyes said, the United States wants to train the armies of the region to intervene at any moment and under any disguise, either through the OAS or the Condeca [Central American Defense Council], which Gen Noriega is very eager to reactivate.

Asked about the effects of these maneuvers in Chiriqui Province, he said that the poeple of Chiriqui, who will suffer the direct consequences of the maneuvers which might affect the life, customs, health, and order in that province, should not permit them.

In this regard, the Socialist leader said, we have the support and determination of all anti-imperialist Panamanians who will denounce and combat these military maneuvers which are an attack on national sovereignty and Panama's right to decide what it will do in relation to the Central American conflict, Reyes said.

PAPO, Liberal Leaders Comment

PA062108 Panama City LA PRENSA in Spanish 6 Jan 87 p 16-A

[Article by Zoila Rodriguez Jovane]

[Text] Carlos Ivan Zuniga, president of the People's Action Party [PAPO], told LA PRENSA that the Torrijos-Carter Treaties are equivalent to a step backward because they include clauses authorizing military maneuvers without disclosing the intentions of the combined forces in implementing those maneuvers. Zuniga was referring to the upcoming joint military operations between the U.S. Army and the Panamanian Defense Forces to be held near the Costa Rican-Panamanian border.

"It used to be that the Panamanian Ministry of Foreign Relations authorized military maneuvers. When the general [Hull-Alfaro] treaty of 1936 was being negotiated, the U.S. negotiator asked his Panamanian counterpart, Ricardo J. Alfaro, to include a clause establishing the obligation to hold joint military menauvers. The Panamanian delegation rejected the clause. As a policy of cooperation, it established that if the U.S. Army wished to conduct maneuvers it would have to make a request to the Panamanian Government through the Foreign Ministry, and the appropriate authorities would grant the request if they deemed it advisable."

Zuniga noted that "regarding the specific case of the upcoming maneuvers, Panama is authorizing turning the country into a psychological arsenal for the U.S. conflict, because we know nothing about the scope and true intentions of these maneuvers in our border area."

He also said that "the problem is very serious because the 1977 treaties place all U.S. Army personnel participating in the military maneuvers under the jurisdiction of U.S. laws. Therefore, the 5,000 U.S. soldiers who will be at the border in Chiriqui Province will be tried for any possible crime under U.S. laws. This is something that damages our sovereignty, for which we already have a precedent."

"The fact that U.S. criminal laws are in effect in Panama shows that the much-vocalized nationalist struggle by the powers that be is turning out to be just the opposite. Indeed, they should seek to abolish the jurisdiction of U.S. laws in our country," the PAPO president added.

Moreover, Cesar Pereira Burgos, national director of the Authentic Liberal Party, felt that the "Kindle Liberty-87" joint maneuvers are a lie because this government conducts manuevers with the U.S. Army to obtain money, and yet it politically supports the anti-Sandinist [as published] Government of Nicaragua."

Pereira Burgos said that "by doing this, [the Panamanian Government] is going along with all of Reagan's true tendencies and political aspirations."

"Whether or not these maneuvers fall within the framework of the Torrijos-Carter Treaties, they are a way of deceiving the people once again. The previous maneuvers in Azuero were used against the Authentic Liberal Party elections. Roads were built based on political considerations to benefit the government and to give good publicity to current National Assembly President Ovidio Diaz. However, we do not know what their objective is," [sentence as published] Pereira Burgos said.

## BRIEFS

NEW UN AMBASSADOR -- Dr Jorge Ritter took over today as Panama's ambassador at the United Nations during a ceremony at the office of Foreign Minister Jorge Abadia Arias. Ritter, ambassador in Bogota until recently, replaced Architect David Samudio, Jr, who was appointed ambassador to the FRG. [Excerpt] [Panama City Televisora Nacional in Spanish 0000 GMT 7 Jan 87 PA]

## BELIZE

### ESQUIVEL TERMS U.S. SUGAR QUOTA CUT 'CRUEL BLOW'

FL062302 Bridgetown CANA in English 2156 GMT 5 Jan 87

[Text] Belmopan, Belize, Jan 5, CANA -- Belize Prime Minister Manuel Esquivel has described the U.S. sugar quota cuts for 1987 as a "cruel blow".

It was the first public comment since the U.S. Congress in December announced a 44 percent reduction in the sugar quota to Caribbean Basin countries.

In a statement issued by the Prime Minister's Office, Esquivel said that agricultural diversification was the answer to the country's dependency on sugar which contributes 42 percent of its export earnings.

The Belize quota was reduced from 18,886 short tons in 1986 to 10,010 short tons this year.

The prime minister said that his government will provide special assistance to the northern districts which have been badly hurt by the reduction of the Belize sugar quota.

He did not spell out the nature of the assistance but later on in his statement referred to "the development of the infrastructure in the north. [quotation marks as received]

Esquivel also said that the cuts could not have come at a worse time and the effects are particularly devastating to our efforts at structural adjustment and economic reform.

The Prime Minister called on measures aimed at stemming the U.S. protectionist tide for the future so that we might head off even more drastic quota cuts for the 1988 cane season and beyond.

He has called for national determination to take Belize through its difficulties during the months ahead, especially Belizeans in the northern sugar belt.

## EL SALVADOR

### FMLN DECREES NEW TRANSPORTATION STOPPAGE

PA070133 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Jan 87

[Text] Attention: The FMLN General Command hereby announces a general transportation stoppage effective Friday, 9 January. We repeat: The FMLN General Command hereby announces a general transport stoppage effective Friday, 9 January. In the framework of our new military campaign, we commemorate an anniversary of the people's insurrection of 10 January 1981 [words indistinct] has meant a strategic step toward victory.

This new national transportation stoppage is our response to the economic swindles against the people's [words indistinct] and the brutual forceful recruitment the regime has unleashed against Salvadoran youth.

FMLN REPORTS 20 ARMY CASUALTIES IN AMBUSH

PA070239 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Jan 87

[Text] Attention: Another guerrillas' victory in the framework of our great national military campaign has occurred. Days after our forces in San Vicente Department overran the Cahuas battalion command post and the 5th Brigade's communications and intelligence center in San Esteban Catarina. Attention, this is the report sent in by the Commander Felipe Pena Mendoza Battalion group.

In the framework of our current military campaign, Heroic January, Farabundo Lives, our guerrillas ambushed the Inter-American highway between the Quebrada Seca bridge and the Valle Nuevo canton. Two powerful Manuel Jose Arce mines were detonated against a military truck carrying troops of the demoralized forces of Col Santos Canalla [pun with Colonel Amaya's name and the word swine] and the 5th Infantry Brigade. During this action, we inflicted 20 casualties, including dead and wounded, to the troops of Col Canalla. The military truck was completely destroyed.

The report from San Vicente added that a few minutes later the Air Force's helicopter gunships arrived at the scene. These helicopters indiscriminately strafed the area to ensure the safe evacuation of the 20 casualities sustained during the ambush. After this successful action in this area, our forces withdrew without any mishap.

## HONDURAS

NICARAGUAN ENVOY CRITICIZES CONGRESS PRESIDENT

PA060440 Tegucigalpa Voz de Honduras Network in Spanish 1802 GMT 5 Jan 87

[Report on interview with Nicaraguan Ambassador to Honduras Danilo Abud Vivas by Nery Arteaga at the Nicaraguan Embassy in Tegucigalpa]

[Text] We talked with Nicaraguan Ambassador Danilo Abud Vivas this morning upon his return to the country, and he harshly criticized National Congress President Carlos Montoya, who has recently talked about a Honduran-Nicaraguan war. The ambassador also referred to the $105 million aid requested by the U.S. Government, Ronald Reagan's government, to the Senate. Here is what Danilo Abud Vivas said:

[Begin recording] [Abud] Nicaragua's policy [words indistinct] a humanitarian policy, and one of the results is the pardon given even to Hondurans. Several Hondurans were pardoned in 1986, and five Costa Ricans were also pardoned around the middle of the year, about mid-September. This is based on the Nicaraguan Government's humanitarian policy. The fact that a senator, a Democratic representative was given...[changes thought] I think that this is a gesture to the Democrats in a certain way. This is also basically a gesture to the U.S. people, because the polls have established that they categorically reject their president's policy.

[Arteaga] Mr Ambassador, National Congress President Carlos Montoya has stated that we are facing the threat of a war with the Nicaraguans. What is your opinion? Do you think that we are really facing the threat of a war with your country?

[Abud] Well, I think that President Jose Azcona, himself, has practically contradicted the Congress president's statement when he said 2 days later in La Ceiba that this is not what Montoya meant. I think that this was aimed at rejecting the statement. With due respect, I think that congress President Montoya sometimes forgets that he is a public official and almost believes he is waging a political campaign. Political campaigns are waged referring to national problems, and not discussing international affairs -- much less problems that are taken so seriously by his own people. I refer to a war, because the president cannot be talking about a war while waging a political campaign, because he would not be waging a campaign if the country were at war.

[Arteaga] Therefore, you are implying that Montoya only issues those statements for political purposes and to gain followers?

[Abud] I do not know what he really wants, but a responsible person cannot talk about a war at a time when the situation is so dangerous.

[Arteaga] What do the Nicaraguan people think? Is there really the threat of a war between the two countries, Ambassador?

[Abud] We have been issuing a series of peace proposals to the Honduran Government despite the situation which prevails at the border area, part of which was fictitious. We have pointed out that the Nicaraguan Government does not want to wage a war against the Honduran Government and people. Consequently, we do not think that the Honduran people, and basically the government, are interested in waging a war against Nicaragua. You are aware of the last letter sent by President Ortega to his Honduran counterpart, where he makes a specific proposal.

Honduras has been saying that it cannot withstand the counterrevolution any more. The Honduran people, particularly those living at the border area, have reported the violations perpetrated by the counterrevolution. The coffee growers constantly say they cannot harvest their coffee. Therefore, since we know that the armed presence of the counterrevolution is a problem for Honduras, and knowing that the presence of numerous Nicaraguan refugees is a big problem, we have offered a solution [words indistinct].

The Nicaraguan solution is also aimed at ending the war which has been imposed on us, and it is based on three points. First, we are willing to receive all the armed counterrevolutionaries who wish to accept the amnesty law and return to the country. Second, the proposal says that if the armed counterrevolutionaries do not want to return to the country, we are willing to exert ourselves and contact third countries so that they are received there. This could also apply to the refugees. We are even willing to assume the cost of transferring the refugees so that they may return to their country.

The formula is... [changes thought] well, you have seen how it is and the way it advocates peace and detente. I have constantly said -- and you are quite aware of my position in Honduras -- that there are really no problems between the Honduran and Nicaraguan Governments. The problem, the element of tension, the element of friction in our relations has been the presence of an irregular armed force which attacked -- from Honduran territory -- a government with which Honduras has diplomatic relations.

[Arteaga] Nevertheless, several sectors have analyzed the proposals you have made to the Honduran Government and feel that this is simply another publicity stunt to be used to your advantage. It has been said that Nicaragua's campaign has attained its goals at the world level.

[Abud] Look, if the people here believe that this is a publicity stunt, why not try to see if something specific may be achieved? If something specific is achieved, then it is no longer a publicity stunt -- it becomes something real. We are making a serious proposal which involves international organizations, like the UNHCR, the Contadora and Support Groups, and the UN and OAS secretaries general, because the proposal issued by Nicaragua involves a great effort. Consequently, we do not think that this is a publicity stunt. If that is what they think here, then it should become a challenge. They should take it seriously and give us timely proposals that allow us to overcome the situation. We know that the situation is difficult for the Honduran Government, but it is much more difficult for the Honduran people, who suffer the direct consequences of the armed presence.

[Arteaga] Mr Ambassador, we are concerned about the statements issued by National Congress President Carlos Montoya. Is President Daniel Ortega aware of Mr Montoya's position?

[Abud] Well, I think...[changes thought] I am more aware of the situation because I live in Honduras and have closely followed all the statements issued by the congress president. I do not want to quarrel with him, but I think -- given that the situation is so tense and explosive -- that it is dangerous to talk about things, to use expressions that can only stoke the fire. I think it is better to act as a fireman in this case and throw water on that possible...[changes thought] on the burning log. It would be better to put out the fire instead of adding more wood to it.

[Arteaga] What is Montoya's goal, then?

[Abud] No I do not know. I cannot know what the Congress president thinks or why he issues that kind of statement. He is the only one who can explain that. [end recording]

## Armed Forces Rebuttal

PA061640 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 6 Jan 87

[Report by Esdra Amado Lopez]

[Excerpts] Carlos Montoya, president of the Honduran Congress, said last week that war with Nicaragua is imminent. Nicaraguan Ambassador to Honduras Danilo Abud Vivas has rejected Montoya's statement. [passage omitted]

Nevertheless, in view of the Nicaraguan ambassador's remarks, Colonel Jose Oscar Flores, chief of the Honduran Armed Forces Press Office, said that there really was a Sandinist incursion, adding: I respect the view of Ambassador Abud Vivas, but the Nicaraguans entered through the areas of [name indistinct], Buena Vista, and La Esperanza.

POLICE DEACTIVATE BOMB AT ISRAELI EMBASSY

PA061914 Hamburg DPA in Spanish 1817 GMT 6 Jan 87

[Text] Tegucigalpa, 6 Jan (DPA) -- This morning, members of the Honduran police bomb disposal squad deactivated an explosive device that had been placed at the Israeli Embassy in Tegucigalpa, according to reports braodcast by Tegucigalpa's main radio stations.

According to officials of the Israeli Embassy, which is located in the "Midence-Soto" building in downtown Tegucigalpa, they called the police to alert them about a suspicious bag that had been left at the embassy. The same sources said that embassy employees received threats over the telephone.

The Honduran police bomb squad unit went to the embassy and deactivated the bomb, according the radio reports citing police sources.

Neither the police nor the Israeli Embassy have confirmed the discovery of the explosive device. However, bomb specialists have asked everyone to leave the building and have closed the entrance, while they search for bombs on the fourth floor.

## NICARAGUA

TRANSPORT MINISTER REPORTS NO PLANES SOLD TO PLO

PA061414 Managua Domestic Service in Spanish 1200 GMT 6 Jan 87

[Text] According to Voz de Nicaragua, Transportation Minister William Ramirez has denied a report on the alleged sale by Nicaragua of DC-8 airplanes to the Palestinian Al-Fatah organization, terming it nonsense. The station mentioned a dispatch from Jerusalem where a news agency, citing Israeli military sources, asserted that through its airline company, Nicaragua sold four D-8 airplanes to Al-Fatah to transport troops and war material.

The government station said that the transportation minister not only denied the report, but attributed the nonsense to a delayed Innocents Day [Latin American April Fool's Day on 28 December] joke. We would love to have such airplanes for ourselves, Ramirez added. We only have two Boeing 727-100 and 720's [as heard] for international flights, two DC-6's, three C-46's, and one C-47, all U.S.-made and one Spanish Aviocar.

COMMANDER BAYARDO ARCE ON U.S. AGGRESSION

PA061236 Managua BARRICADA in Spanish 5 Jan 87 p 3

[Interview with Commander Bayardo Arce Castano, deputy coordinator of the FSLN national commission, by newsman Guillermo Cortes Dominguez; date and place not given]

[Excerpt] [Passage omitted] [Cortes Dominguez] What part of the constitution will come into force as of 9 January, once it is promulgated?

[Arce] That is being considered by the government. We must take into consideration that the causes that led to the establishment of the state of emergency have not disappeared. In our New Year message we said that 1987 is a year in which no will will surrender here. By this we mean that we are sure the U.S. Administration will try to increase it attacks.

We have learned that the President has asked Congress for another $100 million in the 1987-1988 budget to continue financing the counterrevolutionaries. This indicates that we could have more difficulties, acts of terrorism, and the attacks that made this act of institutional defense -- that is, the state of emergency -- necessary.

In addition, the FSLN does not want the objective of achieving full justice and liberty to be diminished by this U.S. interest. This is why have made several efforts to make the situation flexible, such as moving the election ahead of schedule. Also, we have opened considerable political space that has made it possible for 14 legal parties and more than 2,000 trade unions to exist here. The Sandinist government has made a tremendous effort to link these two needs and handle them properly, as it has been doing so far.

It appears paradoxical that the Reagan administration will try to increase its attacks now that it is passing through its worst crisis brought about by the "contragate," with a Democrat Party majority in both chambers, and President Reagan's term about to end.

[Cortes] What perspective does the FSLN see in this political scene of the U.S. Government?

[Arce] This scandal has revealed the true nature of Reagan's policy. Although the situation could influence some change in the administration's policy, this does not mean that this change will necessarily occur.

Senator Christopher Dodd himself, who visited our country recently, said publicly that he could not guarantee a change in the Congress' position regarding the administration's policy in Central America.

This is to say, one could expect -- and must do, according to our nature of not losing heart -- a favorable change because we cannot lower our guard and begin to act as if danger had disappeared. Today, BARRICADA reported that the U.S. Administration has asked for another $100 million for the contras in 1987. How could we then forget about aggression?

[Cortes] Could the "contragate" mean the disassembling of the current aggression plan against Nicaragua and the formation of another?

[Arce] It could mean a variant of the agressive policy, a new form of aggression. We Nicaraguans, however, cannot base our policy on factors completely foreign to us, such as the U.S. domestic policy, in which our influence is nearly nil.

The FSLN has mentioned the possibility of an invasion throughout the past few years. Now, however, in view of the Reagan crisis and the end of his term, the administration could make a desperate move.

[Cortes] Are there any signals of this?

[Arce] Everybody has regarded Reagan's policy differently, yet they all end up reaching the same conclusion: This policy is so erratic and shifty that anything can be expected from it.

Consequently, although there are hues and differences in the analysis of some of the policy's movements, everybody concludes that truly anything could be expected from Reagan. In view of this and because on three occasions a specific mobilization to invade Nicaragua has taken place, we have concluded that the invasion is a latent danger. It is and has been up to us to keep preparing ourselves day by day, just in case Reagan feels this sudden urge. If he does feel it, all the better. If he feels it, we will be in a better condition to confront and defeat him.

FSLN ANNOUNCES ORGANIZATIONAL CHANGES, TRANSFERS

PA061401 Managua Domestic Service in Spanish 0300 GMT 6 Jan 87

[Communique issued "today" by the Secretariat of the FSLN National Directorate]

[Text] The Secretariat of the FSLN National Directorate informs the Sandinist militants and the Nicaraguan people of the following:

1. Companera Lea Guido, member of the Sandinist Assembly, has been relived of her responsibilities in the FSLN's Organizational Department and has been transferred to AMNLAE [Luisa Amanda Espinoza Nicaraguan Women's Association].

2. Companera Nadine Lacayo, member of the Sandinist Assembly, has been appointed chief of the FSLN's Organizational Department.

3. Guerrilla Commander Omar Cabezas has been transferred to the FSLN's regional Committee No 3, as professional member of that committee.

Secretariat of the FSLN National Directorate, 1987. No one surrenders here!

WELFARE INSTITUTE TO BUILD REPATRIATION CENTER

PA070222 Managua International Service in Spanish 2350 GMT 6 Jan 87

[Text] The Nicaraguan Social Security and Welfare Institute, INSSBI, will build a repatriation center in Puerto Cabezas, in the country's Atlantic northwest.

INSSBI Deputy Minister Ricardo Chavarria made the announcement today. He pointed out that the center will temporarily house all people repatriated to the country. The project will be financed by the UN high commissioner for refugees in Nicaragua.

PSN AGREES TO PARTICIPATE IN DEFENSE ACTIVITIES

PA062119 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Jan 87

[Excerpt] The Nicaraguan Socialist Party [PSN] has approved important agreements during the second regular plenary session of its Central Committee. One of them is to fully participate in the revolution's defense.

At the plenary meeting the PSN also agreed to participate in campaigns to defend the workers' economic interests, in municipal elections, and in the drafting of the organic law of municipalities. To this end, the PSN will ask the Nicaraguan Government to hold municipal elections no later than December 1987.

The PSN also approved a resolution to request a pardon for prisoners such as national guardsman and review cases involving peasants serving terms for counterrevolutionary activities. [passage omitted]

CASTRO, FRENCH CP LEADER PRAISE PARTY RELATIONS

PA061730 Havana International Service in Spanish 1600 GMT 6 Jan 87

[Text] Top Cuban leader Fidel Castro has met in Havana with Georges Marchais, secretary general of the French Communist Party, who made an official and friendly visit to Cuba. In the meeting, they stressed the need to continue struggling for peace in the face of the insane arms buildup by U.S. imperialism, which is a threat to all mankind.

The meeting was also an occasion for a fruitful exchange of information and views on the situation in both countries, and for the ratification and expansion of the excellent relations between the French Communist Party and the Communist Party of Cuba.

REAGAN TO RENEW CAMPAIGN FOR AID TO CONTRAS

PA040414 Havana International Service in Spanish 2300 GMT 3 Jan 87

["Our America" commentary read by Norberto Hernandez]

[Text] Everyone recalls that when U.S. President Ronald Reagan set out to get $100 million in aid for the Nicaraguan counterrevolutionaries, he conducted a rabid personal campaign in Congress to get it. The end of year holidays seem to have injected a renewed spirit of aggression in the President. He is getting ready to again pressure Congress into providing further aid to the former Somozist bands. This campaign is expected to be a little harder than last year because Democrats are the majority in the Congress.

Indeed, in his previous campaign -- and thanks to his fierce insistence -- he finally got the congressional nod. However, this year the Democratic majority could be an obstacle, and there is something even worse: the dark clauds of scandal over the illegal sale of weapons to Iran are hanging over the White House. It suffices to remember that some of the profits of this shady deal were diverted to the contras at a time when a congressional ban was in effect. This situation could have an impact on the request to the lawmakers for more aid.

However, it is worth stressing that, so far, and since the aggression against Nicaragua began, the counterrevolutionary groups have received over $400 million in government and private aid from the United States. Moreover, the aggression against the Sandinist revolution comes not only from the money and weapons which the United States is supplying to those bands, but also from the constant military preparations which the Pentagon conducts in Central American countries. Honduras is the prime example of these countries.

In addition to the more than 10,000 counterrevolutionaries who are in camps located in Honduras, the "Ahuas Tara-87" joint U.S.-Hondurans maneuvers are currently under way. Approximately 3,000 soldiers from the two countries are participating in these maneuvers. As is well known, since 1981 the United States has been conducting rehearsed direct invasions against Nicaragua. To this end, the United States has been conducting military maneuvers in which approximately 100,000 soldiers have participated. Moreover several of these maneuvers have been staged near the border of Nicaragua and kHonduras.

The current "Ahuas Tara-87" maneuvers linclude a noteworthy element: an unspecified number of U.S. military engineers are participating in them. It is believed that they will be involved in carrying out one of the objectives of this war exercise, to modernize four military airports in Honduras.

We must not forget that the permanent presence of thousands of U.S. soldiers and the building of airports, communications centers, and strategic roads provide the infrastructure needed to implement an interventionist maneuver. The war exercises, the President's plans to launch a new offensive in Congress, and the aid which the aggressor bands have been constantly receiving lead one to think that despite the discredit to which the White House has fallen, it is preparing to continue its plans to invade Nicaragua directly.

Recently, Nicaraguan President Daniel Ortega announced that in 1986 the counterrevolutionary bands suffered approximately 6,000 casualties, counting dead and wounded. The U.S. Government does not appear to be taking this high figure into account as it prepares its plans of invasion.

SALVADORAN FORCES 'ATTEMPTING TO DOMINATE' DUARTE

PA060323 Havana International Service in Spanish 2300 GMT 5 Jan 87

["Our America" commentary read by Manolo Ortega]

[Text] The aggravation of the Salvadoran conflict and the increasingly growing commitment of the Salvadoran authorities to the United States in the aggression against Nicaragua reveal the Duarte administration's inability to maintain an independent policy. Much to the contrary, the Armed Forces shows with each passing day who rules in El Salvador.

First, it must be recalled that after the catastrophe that devastated the country in October, the government team with the president at its head yielded to military pressure and diverted to the garrisons an enormous amount of assistance that it had received from various countries and international organizations.

Although the capital was the area most affected by the earthquakes, the economic, political, and social situation has become more difficult throughout the country. At present, the regime is saying that $2 billion is needed to reconstruct San Salvador. This is equal to all the official military assistance sent by the United States to support the war since 1980. However, President Duarte stubbornly continues to implement his "United to Reconstruct" counterinsurgency program, which was set into motion before the earthquake. The plan includes, among other things, the collection of a number of taxes, which will become effective in January, the payment of which is aggressively opposed by the private enterprise sector, which is threatening a coup d'etat and is even calling for a revolt against Duarte.

Why are those who until yesterday supported Duarte's measures now turning against him? The answer can be seen in the very taxes that merely mean more money to continue financing hostilities against the guerrillas. While it is true that the business sector believes that it should not pay for a war that belongs to the government and Army, the Army is attempting to dominate -- and it has proven that it has succeeded in doing so -- in many decisions that are the exclusive competence of the executive branch.

The "United To Reconstruct" plan works under the exclusive control of the Armed Forces. However, it is also the Armed Forces which cooperate directly with the U.S. Government in the matter of assisting the Nicaraguan counterrevolutionaries.

Proof of this was implicitly offered by General Juan Rafael Bustillo, commander in chief of the Salvadoran Air Force, who personally coordinated with the chief of the U.S. advisers in El Salvador, Colonel James Steele, the supplying of the former Somozist bands from the Ilopango air base. Even though the general was careful not to say it, the secret stopped being a secret after one of the planes was downed over Nicaragua and the mercenary technician who traveled on board recounted in detail the implications of the Salvadoran connection. Shortly thereafter the link between supplying the Nicaraguan contras and the scandal of the illegal sale of U.S. weapons to Iran was exposed, and because the assistance went through the Ilopango air base, President Duarte thought it more elegant to deny all involving his administration with the aggressions against Nicaragua.

However, everyone in San Salvador is currently repeating a phrase that cannot but be cause for concern: Duarte governs, but the military decides.

CASTRO CONGRATULATES NGUYEN VAN LINH ON CONGRESS

BK070918 Hanoi NHAN DAN in Vietnamese 24 Dec 86 PP 1, 4

[Congratulatory Message from Fidel Castro, first secretary of the Communist Party of Cuba, to CPV General Secretary Nguyen Van Linh -- date not given]

[Text] Dear Comrade Nguyen Van Linh,

We have learned with profound joy that the Sixth Communist Party of Vietnam [CPV] Congress has achieved splendid success and that you have been elected general secretary of the Central Committee.

We convey to you and, through you, to the comrades of the Political Bureau and the Central Committee and the entire fraternal Vietnamese people our warmest and most cordial congratulations.

On this occasion, the Cuban Communists and the entire Cuban people express to you their total faith in the CPV's collective clearsightedness and in you, a combatant who has been seasoned in the struggle for the cause of liberation, unification, and social progress of the fatherland of Vietnam.

We absolutely believe that, in the present situation as well as in all trials in their glorious history, the party and people of President Ho Chi Minh will know how to win, and the shining cause of Vietnam will continue to be a source of pride and an example for all revolutions in the world.

Dear Comrade Nguyen Van Linh,

Now as always, the Communist Party and people of Cuba consistently and totally support Vietnam in her tasks of building socialism and defending the beloved fatherland, as well as in her constant efforts to achieve an atmosphere of peace, the independence of nations, and stability and cooperation for development.

May you continue to score many achievements in your tasks full of important responsibilities entrusted to you by the fatherland and the party.

We wish you good health and longevity.

PARTY BUREAU DISMISSES SECOND OFFICIAL

FL302031 Havana Tele-Rebelde Network in Spanish 1200 GMT 30 Dec 86

[Text] After an exhaustive examination of the causes that led to the events reported by GRANMA in connection with a woman worker at the Jose Merceron cement factory, the Executive Bureau of the provincial party committee in Santiago de Cuba has decided to dismiss Pedro Fernandez Cabrera, member of the bureau in charge of construction, transportation, and communications.

The decision took into account the responsibility of Comrade Pedro Fernandez, who had been charged with handling the denunciation presented to the provincial party committee by worker Sylvia Marjorie Spencer.

The bureau also agreed for similar reasons to relieve Julio Pallerol of his duties as head of the provincial committee's construction department.

PINAR DEL RIO'S LUGO CONFIRMS CROP LOSSES

FL052256 Havana Tele-Rebelde Network in Spanish GMT 5 Jan 87

[Interview with Orlando Lugo Fonte, first secretary of the Communist Party of Cuba in Pinar del Rio Province, by Cristobal Martinez]

[Excerpts] [Martinez] [Passage omitted] Comrade Lugo, what is the province's final assessment of the damages caused by recent rains?

[Lugo] [Passage omitted] From the 4th or 5th day of the rains, we began to see some damage in agriculture.

[Passage omitted] We must say we have suffered substantial damage. First of all, the sugar harvest is at a complete standstill. We have decided to stop the harvesting because of the rains. It was going to do a great deal of damage to the equipment in the early stages of the harvest, and it was preferable to wait until it stopped raining. We have decided to repair the roads, which have been greatly affected, and wait 2 or 3 days to resume work.

As for tobacco, we are still counting the losses. But to tell the truth, from 1 January on, the cold front and the weather we are having are helping us, to a certain degree, to make up for some of the losses. [passage omitted] So far, we have lost 352 caballerias of tobacco. Some 600 more have been affected. Of the caballerias affected, we feel that quite a bit can be recovered because strong measures are being taken. The most damaged have been the seedbeds, more than 45,000 have been completely lost, and some 70,000 seedbeds have been quite affected, which would have come to some 600 caballerias.

We had already planted the full potato crop, some 82 caballerias. Forty of them are a total loss. We are trying to save the other 42. We have suffered substantial tomato losses for a producing province, not less than 100 caballerias.

We have some 50 affected caballerias. They were not full grown tomatoes and we are working to save them. We have also experienced substantial losses in the export of peppers. We have lost about 100 caballerias of beans. We are doing our best with around 70 caballerias. Those are the most significant losses. The municipalities most affected have been Pinar del Rio and Consolation del Sur. [passage omitted]

[Martinez] Do you think those losses can be recovered?

[Lugo] We feel we must have no concern about the labor force. We are getting approximately 12,000 Havana pre-university students today. [passage omitted]

In addition, we have the province's high productivity battalions, and other sectors are being mobilized with extraordinary discipline and responsibility demonstrated by all our people. We are also trying to reduce the losses with emergency tobacco planting. [passage omitted]

We are taking steps to plant 14 caballerias of potatoes on the best lands, and taking extra care with them. As to the rest of the lost potato caballerias, we are going to have an emergency planting of sweet potato, a short cycle crop, to ease the situation somewhat.

As for tomatoes, as the soil dries, we are planting seed directly in the soil and we are also turning the plots to plant them again [passage omitted]

The same with the beans. We are taking some measures, especially in the rice area, to plant beans again. Perhaps we will not have the same yields in January, but we will plant them again. It is practically impossible to start planting peppers for export, but we will do so for domestic consumption.

[Martinez] How can this natural disaster affect our tobacco exports?

[Lugo] We should not be worried that we'll be affected again. We are convinced that with the work of the province's peasants and the enterprise workers, we should have a good tobacco harvest, especially export tobacco. You know that for several years we have been tying the tobacco in bundles. That has been fortunate because despite the rains the tobacco used for the outside wrapper has not been affected. [passage omitted]

In regard to plague, we are fumigating as indicated by technicians for times of such high humidity. But as I said earlier, the cold front has helped us a lot to eliminate disease and plagues. That is, we can face any plague or disease affecting tobacco or any other crop. [passage omitted]

There is also something significant that we would like to mention. Not everything has been a disaster. Our reservoirs have approximately 35 million cubic meters of water. [passage omitted]

That undoubtedly attenuates circumstances because right now we are making calculations to see if we can plant 150 or 200 caballerias of cold-weather rice.

We did not think we could because of the rains, because of the amount of water we had in the reservoirs, but this will help us plant a good amount of cold-weather rice, which has the highest yield.

Moreover, we concluded a tour of several of our municipalities today. We can assure you that there is magnificent enthusiasm among the peasants, agricultural workers, high productivity battalions, the mobilized citizens all sectors in the province who from the very first day of January have been helping us to overcome these problems. All the people of Pinar are determined to solve the problem, recover what we have lost, and make up the damage with great work. We can tell our commander in chief and the country's leaders without fear of being wrong, that the people of Pinar will do whatever it takes to reduce these losses. [passage omitted]

ARTEMISA, ALQUIZAR STORMS DESTROY CROPS

FL070022 Havana Radio Reloj Network in Spanish 1906 GMT Jan 87

[Text] The rain of the past few days and yesterday's wind gusts between 75 and 85 km, which yesterday lashed at the crops of Artemisa and Alquizar municipalities for 13 hours, have caused great destruction. Of the 146.5 caballerias of plantains in Artemisa, 116 caballerias were affected, 20 of which were totally lost.

We visited the director of the Lot No 1, Bernaldo Jardines, who told Radio Reloj that this has been one of the greatest natural disasters affecting that enterprise's plantain production. The workers have responded vigorously and recovery brigades are now at the plantations. In addition, there are approximately 200 residents from various sectors of Artemisa, who are joining the efforts this afernoon.

This disaster will considerably reduce the Artemisa plantain production, which was expected to be approximately 300,000 quintales during the first 5 months of the year. Yesterday's winds knocked down 95,750 plantain boughs, 10,800 of which are in good condition and more than 50,000 are lost. The rains affected areas growing potatoes, garlic, tomatoes, strawberries, and cucumbers.

Roberto Santana, director of the Alquizar Diverse Crops Enterprise [Empresa de Cultivos Varios de Alquizar], told Radio Reloj that the crop damage exceeds 50,000 quintales and efforts are underway for recovery of the plantations. Losses exceed 17,000 quintales in plantains alone, which will affect the supply to the population during the first quarter of this year and all of 1987 [as heard]. The response of Alquizar workers has been exemplary. After the rains, they presented themselves in the flooded areas and undertook a great drainage task, which has minimized the damage to potatoes, tomatoes, and other crops.

INCREASED ELECTRICAL RATE TO REDUCE CONSUMPTION

FL070200 Havana Radio Rebelde Network in Spanish 0000 GMT 7 Jan 87

[By Rose Maria Hurtado]

[Text] The increased electrical rate in the private sector will undoubtedly conserve this service among the population.

According to the analysis of the results expected this year, increasing the price of the line rate [tarifa lineal] by 50 percent will reduce the level of estimated consumption by more than 18 kilowatts per hour.

In a report to the press by a specialist from this field, it was made known that Cuba has 85 percent of the population electrified, and in 1987 there will be more than 1 million new consumers, which will elevate consumption to 3,110,000 kilowatts per hour.

With the measure increasing the electrical rate in the private sector, the population will reduce its consumption as occurred in 1981 when the line rate was introduced and reduced the level of consumption by 24 percent.

MASS ORGANIZATIONS SUPPORT ECONOMIC MEASURES

FL301610 Havana Radio Reloj Network in Spanish 1502 GMT 30 Dec 86

[By Leandro Carbajal]

[Text] Members of the Federation of Cuban Women [FMC] in Matanzas Province have expressed their decision to strongly support the measures adopted by the revolutionary government to confront the country's current economic situation. The FMC members in Matanzas, aware of the need to confront the current economic restrictions, have pledged to be more conservative and demanding in the current battle.

For their part, the Havana City members of the Committees for the Defense of the Revolution [CDR] support the measures approved by the National Assembly of the People's Government and intend to strengthen the spirit of conservation and elevate the peoples' ideological awareness. The members of the CDR in the capital reaffirmed the words spoken by Fidel when he said, discouragement and defeatism are the only things that have no place in the mind and heart of a revolutionary.

HOLGUIN RESIDENTS SEND MESSAGE TO ANPP PRESIDENT

FL301952 Havana Television Service in Spanish 1300 GMT 30 Dec 86

[Text] The residents of Holguin joyfully received the news that their province will report back at the next regular session of the National Assembly of the People's Government [ANPP].

This was confirmed in a message sent to ANPP President Flavio Bravo.

The residents of Holguin expressed their support of the measures that will be applied in the country to confront the current economic situation.

Since early yesterday morning, they began meetings in all districts to make obvious their decision to work and report back with a completed goal. Their slogan is: "The province, birthplace of Major General Calixto Garcia, will not fail!"

NETHERLANDS DECIDES TO MAINTAIN AMBASSADOR

PA061557 Madrid EFE in Spanish 1046 GMT 6 Jan 87

[Excerpts] The Hague, 6 Jan -- The Netherlands Government has decided to keep its ambassador in its former colony of Suriname despite the accusations made against the Netherlands by Surinamese leader Dersi Bouterse.

Bouterse recently suggested to the Netherlands that it withdraw its ambassador because he believes that the Netherlands authorities support the rebel forces led by Ronnie Brunswijk. These forces have been fighting the Surinamese Army for months.

Netherlands Foreign Minister Hans van den Broek announced his intention of maintaining the ambassadorial post to the Surinamese Government in a letter published by the Netherlands press today. It is stated in the letter that "the Netherlands Government has decided to give priority to dialogue and normalization" [not further clarified] with Suriname. [passage omitted]

CENTRAL BANK PRESIDENT ON ECONOMIC CRISIS

FL062034 Paramaribo International Service in English 1730 GMT 6 Jan 87

[Text] Central Bank President Henk Goedschalk said that increased export is the fundamental solution to the economic crisis in Suriname.

During a New Year's meeting at the financial institution yesterday, the Central Bank president said that devaluation of the Suriname guilder is not a serious option. He thinks that this would only serve to worsen matters.

Suriname will obtain less foreign exchange this year and Goedschalk is of the opinion that exports should be increased. He added that in order to support government's policy, the Central Bank has set up a special department for export financing. He said the possibilities for export subsidies and a special exchange rate for certain export products are also being studied.